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THE ILLINOIS INDIAN TRADE

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THE ILLINOIS INDIAN TRADE
1733 - 1818

by

Dennis Downey

FOREWORD

The story of the Indian trade in Illinois belongs to a wide variety of subjects dealing with the frontier. The Indian trader emerges as one of those many heroic figures that have given much of the romance to the history of the West. The process of the West, as created by Frederick Jackson Turner, took the fur trader and put him in the wilderness as the vanguard of civilization.

During the eighteenth and early nineteenth centuries, Illinois was in the center of the West. The Indian trade played an important role in the growth of the economic and political history of Illinois. My theme is the competition among nations for supremacy over the Indian trade. My interest is in what process and by what means nations tried to control an economically advantageous area. The purpose here is to explore the methods used by countries to foster the growth and development of the Indian trade and the various outcomes of these methods on those involved. The availability of resource material is overwhelming. The volumes of government documents, letter and record books of various fur trading companies, journals, and earlier works are in considerable number. This work is only one attempt to characterize the nature of the trade in Illinois.

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CHAPTER I

THE FORMATIVE YEARS

The early history of fur trading within the present boundaries of the state of Illinois has as its roots the exploration and colonization of the interior of North America by France. The French envisioned building a vast amount of trade with those Indian tribes living in the Illinois country.

The opening of the Illinois country began with the explorations of two Frenchmen, a Jesuit missionary, Father Jacques Marquette and a fur trader, Louis Jolliet. By traversing the many portages between the Great Lakes and the smaller rivers located nearby, and by using these to reach the Mississippi River, Marquette and Jolliet established contact with the Indians of the Illinois River. As a consequence, a growing trade began with these tribes.

In 1672, Marquette and Jolliet reported their discoveries to the governor of Canada, Louis de Buade, comte de Frontenac. Frontenac, who probably had visions of becoming an empire-builder, sought to use the Indian trade in Illinois as the economical foundation of a New France.¹

¹ Clarence W. Alvord, The Illinois Country, 1673-1818, in The Centennial History of Illinois, I (Chicago, 1922), 69.

Such a trade would spell prosperity for France and assure French control of the Mississippi. To implement his plan to build a great fur monopoly, Frontenac secured the interest of two traders, Robert Cavalier, sieur de la Salle, and his lieutenant, Henri de Tonti.² From 1675 until 1696, La Salle, and after his death, Tonti, carried on a profitable trade with the Indians.³ To be able to supply the Indians with the articles they wanted, La Salle built Fort Crevecoeur near the present site of Peoria. This facility served as a trading post for French dealings with the Indians who trekked overland or came down the Illinois River in their canoes. In addition, by coming down Lake Michigan to the Chicago River, canoeing up that river, and portaging to the Des Plaines River, thence to the Illinois, French voyageurs established themselves along the Illinois River and its tributaries to trade with the interior Indians.

In 1682, La Salle built another post at the natural fortress of Starved Rock. Here, Fort St. Louis served as a resting place and trading factory for voyageurs coming from New France and going to the lower Illinois. Likewise,

2

For a biography of Governor Frontenac see William D. Le Seur, Count Frontenac, (New York, 1926).

3

Ray A. Billington, Westward Expansion - A History of the American Frontier, 2d ed., (New York, 1960), 108-109.

the new post was a depot where the Illinois, Men, Algonk, Piankashaw, Shawnee, and Miami traded monthly.⁴ During the winter of 1690 and into the next year, Tonti and La Forest, Tonti's partner, rebuilt the post at Peoria, Fort Pimitoué, which had been destroyed by La Salle's men due to discontent.⁵ This new post, and the previously built Fort St. Louis, remained as the only entrepôts in the Illinois country until a fort was later established in the vicinity of the junction of the Illinois and Mississippi rivers.

During the last decade of the seventeenth century, several events forced the French government to change its policy toward the fur trade in Illinois. The outbreak of King William's War in 1689 between England and France threw the Indian trade into turmoil as each side sought Indian allies. The war closed French markets and lowered the prices of furs. The crown, hoping to win over the tribes of the Illinois country, ordered Governor Frontenac to abandon all the western posts and recall all trading contracts.⁶ This move was aimed at lessening the corrupt

⁴

Alvord, The Illinois Country, 39.

⁵

Joseph Wallace, The History of Illinois and Louisiana Under the French Rule embracing a general view of the French Dominion in North America with some account of the English Occupation of Illinois (Cincinnati, 1893), 198-199.

⁶

Louise P. Kellogg, ed., Early Narratives of the North-West - 1634-1699 (New York, 1917), 343-348 and 359.

influence of the seigneurs and the seigneurs of the fur trade. Although not pleased with the order, Governor Frontenac revoked most of the permits except those of Tonty and La Forest. Both of these men had a powerful influence with the Illinois Indians and could therefore, diplomatically win their allegiance to France. Still, the reduction of permits to other traders greatly diminished the trade to a bare minimum until 1697.

The Jesuits pressured the crown for many years to change its policy of granting permits. The Black Robes had been in the Illinois country long before the traders, and they felt the gouverneur and the seigneurs de la Louis interfered with Jesuit teachings and misled their converts.⁷ In addition, the Jesuits at various times traded with the Indians, and therefore, resented competition.

With the threat of English traders from Albany, New York moving across the mountains and down the Ohio River to the Illinois country, Louis XIV repealed the order and reopened the interior to French traders. The year 1700 brought a great influx of fur traders into the Great Lakes region and a new trading warehouse built at Mackinac Island.⁸

⁷ Francis Parkman, La Salle and the Discovery of the Great West, France and England in Action, III (Boston, 1903), 104.

⁸ Adam Sapoznik and Arthur G. Douglas, eds., La Salle and the Discovery of the Great West, A History of the Canadian Fur Trade, Transactions, of the Canadian Historical Association (Toronto, 1914), II, 117-18.

In the beginning of the eighteenth century, the French and traders secured control of the Louisiana territory for France, and consequently, Pierre le Moyne d'Iberville was placed in control of the area in 1699. As a result of the French foothold on the lower Mississippi, their traders could now vascillate between the Great Lakes and the Gulf. But this was not enough. The French realized permanent occupation provided the only answer to keeping the Indians within their sphere of influence. Thus, Tonti, with a group of priests from the Seminary of Foreign Missions began a settlement at the Indian villages of Cahokia on the Mississippi near its confluence with the Illinois River.⁹ The Jesuits, who were working with the Kaskaskia Indians, moved below Cahokia and founded a mission called Kaskaskia.

The new commander at Mackinac Island, Antoine de Lamathe Cadillac, realized the importance of the trade with the tribes of the northwest and built a new post at Detroit in 1701. With the death of Tonti in 1704, and La Forest's return to Detroit in 1705, the Sieur de Liette was left in charge of the trading enterprise.¹⁰

⁹ Reuben G. Thwaites, ed., Jesuit Relations and Allied Documents: Travels and Explorations of the Society of Jesus in North America 1610-1773 (Cleveland, 1904), LXXI, LXVIII, 127, 129, 231, and 235.

¹⁰ E. J. Fortier, "The Establishment of the Illinois Mission," in Illinois State Historical Society, ~~Reprints~~ ^{Publications}, 1903 (Springfield, 1909), XIII, 233-237.

While De Lieste was interested in keeping a profitable trade with the natives of Illinois, a subsequent outbreak of hostilities between members of the Peoria Indians and the French at Detroit threatened to frustrate his plans. The Peoria and Ottawa tribes, both dissatisfied with the missionaries, began attacking the French voyageurs and Fathers. Although traders moving down the Illinois were still being harassed in 1707-8, the French had been able to maintain peace with the Peoria instead of a wholesale attack upon them by troops from Detroit and the Louisiana government.¹¹ By 1710, the Illinois Indians had been quieted by numerous peace treaties and the French continued their extensive trade within Illinois.

In 1712 the frontier peace was disrupted by the first Fox War. Illinois had long been the battleground for a feud between Illinois and Fox tribes. In addition, the Micapoo and Mascoutins, allies of the Fox, helped to enlarge the war to the whole of northern Illinois.¹²

When the surrounding tribes at Starved Rock dispersed throughout the Illinois country, as a result of the Fox uprising, the trade at and the use of Fort St. Louis began to decline. By the middle of the second decade of the eighteenth

11

Thwaites, Jesuit Relations, LXVI, LXXIII, 86 and 225.

12

Alvord, The Illinois Country, 146.

century, it was abandoned as French traders shifted their activities to the portages of the Fox and Wisconsin rivers. This portage provided a quicker route to the Mississippi than that which passed over the Illinois.

The portage to the Illinois at Chicago was closed during the Fox War forcing the traders to find alternate routes. Using the Fox and Wisconsin rivers, some traders went west of Chicago to reach the Illinois. Others went east using the portage between the Maumee and Wabash rivers. Now, the emphasis upon the trade on the Illinois River shifted to the Wabash during the 1720's. A new post, Fort Miami, was constructed at the Maumee portage, and Fort St. Joseph, built in the seventeenth century at the St. Joseph River and Lake Michigan portage, was strengthened. The two posts served as stopping points for traders going over land between Lake Michigan and the Wabash River via the smaller routes. A fortified trading station had been established at Vincennes, Indiana by 1731 to service voyageurs using the lower Wabash as well as those who ventured on down the Ohio River to the Mississippi.¹³

The Fox War and the closing of the Chicago area portage accelerated the growth of Kaskaskia and Cahokia. Using the Fox and Wisconsin portage, traders descended the

Mississippi, or by use of the Wabash and Ohio system, ascending that river and utilized the settlements as resting places and trading warehouses. Consequently, with the Louisiana country under French rule, one of the King's lieutenants, Pierre Duqu  de Broisbriant, was sent to the Illinois country to establish stronger French law in the settlements along the Mississippi River near St. Louis.¹⁴ He built Fort de Chartres in 1722, which protected the settlements, and facilitated the erection of more warehouses. In addition, the building of Fort Ouiatenon, on the Wabash during the 1720's, theoretically strengthened and furthered trade within the lower part of the Illinois country.

The 1720's exemplified a change in policy regarding the growing Indian trade. The constant infiltration of British traders down the Ohio River from Albany, the shift in movement of Indians from the northern part of Illinois to the southern and central portions, and the increased traffic between the Great Lakes and the Louisiana settlements, made it necessary to establish posts and trading houses along the Mississippi near its junction with the Ohio River. Henceforth, the French could control the Illinois River and country by spreading out on the smaller rivers such as the Macoupin, Sangamon, and Kaskaskia. These rivers

After the War of 1763, the area of the Illinois country, Illinois, by moving out on the Mississippi and other Western rivers, an already profitable trade could be built up. Moreover, and portages could be made between the waters of these five rivers in central Illinois.

The inconclusive truce ending the first Fox War in 1716 was unable to prevent a second war from occurring in the 1720's. The Chicago area portage was again blocked, causing French traders to utilize the east and west routes. The second Fox War lasted for almost a decade until the efforts of Sieur de Villiers at making peace with the Foxes in 1730 reduced this menace.¹⁵ Thus, the Illinois country entered another decade, but because the Fox wars had shifted the trade routes to the east, French traders came into conflict with English traders moving across Ohio and Indiana.

Not only did the French face problems with the encroaching British traders, but renewed Indian hostilities plagued the Illinois trade. Since Illinois was located between New France and the province of Louisiana, it was important that peaceful conditions prevailed to insure free communications and travel. In 1734 Governor Bienville, who had been recalled to France in 1725, was reappointed.

¹⁵

Alford, The Illinois Country, 160-163.

governor of Louisiana. Hopefully, Bienville could restore peace to southern Illinois and thwart the British attempts to influence the Indians.

Much of the trade in Illinois was carried on by the Company of the West Indies, a commercial enterprise organized in the 1720's. This company established many small posts throughout the Illinois country and Great Lakes region. But because financial difficulties and the disruptive effects of the second Fox War, the charter of the Indies Company was surrendered in 1732. As a result, only a few enterprising individuals continued to trade with the Indians.¹⁶ In order to attract other traders and promote peaceful conditions, Governor Bienville appointed Pierre d'Artaguiette commandant of the Illinois district in 1734. He was successful until he was captured in 1736 while leading an expedition against the Chickasaw. D'Artaguiette's successor, Alphonse de la Buissonnière, made peace with the Chickasaw in 1736 and trade prospered between the Indians and the French in Illinois.¹⁷

Conditions in Illinois remained stable during the 1740's and the French traders continued to bring prosperity to New France. But by the late 1740's a new wave of British

¹⁶

¹⁶ Wallace, Illinois and Louisiana, 233.

¹⁷

Ibid., 290-95.

traders in the Old Northwest threatened French control. The increase in British colonial population along the Atlantic seaboard forced the Shawnee and Delaware tribes to move westward toward Illinois in the hopes of finding new hunting grounds. The British, who had been trading with them sought to follow and by 1745, they dominated the trade of the upper Ohio River Valley. As a consequence, Governor Bienville wanted to crush this trickling infiltration of British traders and trappers down the Ohio River. But when King George's War broke out in America in 1744, the English ships kept the French ports closed in Europe, and thus, thwarted transportation of trade goods to New France.¹⁸

The inability of French traders to secure goods, and the movement of British traders from Albany who could supply the goods, encouraged many tribes to begin a larger trade with the English. By 1744, General George Croghan of Pennsylvania, an enterprising officer and leader of trading establishments, moved through the state of Ohio where he erected trade centers at Pine Creek, Logstown, and Beaver Creek.¹⁹ From these points, traders were sent out to trade with the tribes living in the Illinois country. This

¹⁸ Billington, Westward Expansion, 123-24.

¹⁹ Ibid.

British infiltration, and the constant winning over of the Indian tribes, gave Great Britain unquestionable control of the Indian trade as far as the Wabash River and signalled the eventual downfall of French dominance of the Illinois country.

The final blow began in 1753 with the outbreak of the Seven Years' War in Europe, or in America, the French and Indian War. France claimed the Mississippi and Ohio river vallies previously settled by her traders and missionaries. England's jurisdiction rested upon the discovery and exploration of the Atlantic coast by John and Sebastian Cabot in 1498. Consequently, she attempted to exert her title to the entire western area.²⁰ For the next ten years, the French and British fought a see-saw battle for control of the Indian trade in the Northwest.

With the restoration of peace by the Treaty of Paris of 1763, Great Britain faced a new and perplexing problem: should she open the territory to settlement or only to the traders? French settlements were already well underway, but with defeat, many inhabitants left the Illinois country. French traders kept their businesses flourishing during the war, but when the Indians aligned with the British for goods and munitions, French prestige declined as had the trade. Since French power rapidly diminished in Illinois,

the loss of British influence in the Northwest. The loss of jurisdiction over Mackinac and Ojibwa prevented the French from using the warehouses as storage points and forced the traders to carry goods into the Indian country from other areas. This situation resulted in inflated prices as the following table shows the difference between British and French trade articles.

TABLE I

COMPARISON OF PRICES OF BRITISH AND FRENCH
TRADE ARTICLES IN 1763

<u>French Goods</u>	<u>British</u>	<u>French</u>
1 lbs. of powder	1 beaver	4 beavers
1 can	2 "	3 "
40 lbs. of lead	1 "	3 "
2 blanket of red cloth	1 "	3 "
2 white blanket	1 "	3 "
4 shirts	1 "	3 "
1 pair of stockings	1 "	3 "
5 qts. of rum	1 "	none

2

Clarence F. Alvord and Clarence E. Carter, ed., "The War of 1763, 1763-1767 in Collections of the Illinois State Historical Society, XI (Springfield, 1918), 50.

As British rule supplanted that of New France, it became apparent in the minds of French inhabitants in Ohio and Illinois that the British would lay down regulations regarding the fur trade. But as the British began to occupy the French outposts of Detroit, Mackinac, and others in the Northwest, the French realized they would be allowed the same privileges as the British. There was not a

tion, the British Government was obliged to accept, in 1763, the French colonies, the 'Kingdom' of France, and to confirm the French sale privilege. In fact, when the United States of Canada became British subjects, and in the course, began showing the English traders their methods of trade with the Illinois Indians.²¹

The British government now faced the task of organizing and regulating the Indian trade. The bureaucrats in London placed the responsibility for developing a western policy in the hands of the Board of Trade under the ministry of the Earl of Shelburne. The formation of such a policy became the subject of debate in England between expansionists and anti-expansionists. The former group encouraged a plan that would allow settlers to move into the Ohio valley, while the latter feared such movements would disrupt the Indian trade and increase Indian hostilities. Shelburne's ministry recommended that traders and settlers of the British colonies not be allowed to venture across the Appalachian Mountains; at least not until a method of regulating the trade could be devised and title to the Indian lands could be secured.²¹

2.

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6054, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590,

The 1760's brought another incident that affected the Illinois trade. The chief of the Ottawas, Pontiac, was not very enthusiastic about the influx of British troops taking over the former French posts. The Ottawas, as well as other tribes in the country, has been satisfied with the French, and they did not like the abuses received at the hands of the British -- mainly the sale of rum to the Indians. This Ottawa chieftan successfully united his tribe with the Chippewas, Pottawatomies, Sacs, Foxes, Menomies, Miamis, Shawnees, and Wyandotts into a confederacy that menaced the British traders and posts until 1765.²³

The superintendent of Indian Affairs at this time was General Croghan who felt great riches existed in the Illinois country. If the Indians could be pacified, and the French traders frustrated, a "Grand Illinois Venture" could be initiated.²⁴ This idea of Croghan's gained momentum when he encouraged the firm of Baynton, Wharton, and Morgan of Philadelphia, Pennsylvania to seek such a scheme, and thus gain a monopoly of the trade. In 1766 Croghan visited the Illinois country on a fact-finding mission for the firm. After his capture and subsequent release by the Kickapoos, he set the stage for the financial enterprise of the firm.

23

John Moses, Illinois, Historical and Statistical Description: the essential facts of its physical, political, provincial, county, territory, and state (Chicago: 1885), 125.

24

Kellogg, The British Empire, 117-19.

Company stores were established at Kaskaskia, Cahokia, Vincennes, and Fort de Chartres. Since the French controlled the Mississippi River, the British had difficulty in supplying these posts. To prevent any recurring hostilities between the English and the Indians, regulations prevented the British traders from going into the red man's villages. Finally, due to the financial strain, the "Grand Illinois Venture" failed. At the same time, another company, under Joseph Simon in conjunction with the David Forbes Company, set out to develop a more profitable trade with the Indians. During the period 1769-1770, the venture produced 5,500 pounds sterling (roughly \$12,000) for 550 packs of furs.²⁵ But, the trade was light and the financial loss too great for the business to continue.

The fact that French traders could pack their goods to the Indians forced the British to lessen their trading activities since the Indians had to travel to the British posts. The policy of the British toward this constant competition by the French is exemplified in a letter from General Gage, military commandant of the Indian Department, to Lord Barrington of the Board of Trade:

Only visibell means to prevent smuggling is to stop up the Ohio and Illinois rivers, by having

... and on each to confine to all Canada.
... well as furs and skins.
... Illinois River along the River, and along the
Ohio below the mouth of the Ohio into [the Ohio],
and like wise to seize and confine the skins
and furs from the Illinois Country. . . .²

It is evident British trade efforts were being
thwarted by the French, and as a consequence, that element
must be halted. Thus, throughout the period 1765 to 1775,
it became the policy of Great Britain to alleviate the
influx and influence of French traders in the Illinois
country.

In 1774 the Quebec Act provided for the annexation of
the territory of Illinois to the former government in the
north instead of that at Louisiana. Thus, the British felt
the colony's chief export would be furs, and that it should
be governed from the Great Lakes region rather than Louisi-
ana.

The revolution of the American colonies did not halt
the fur trade in the interior as was originally suspected.
Many licenses were issued to British traders, and the
growth in trade with the Indians increased as both the
English and French-Canadians continued to carry goods into
Indian territory. Realizing that no British garrisons were
established in the Illinois country, American troops under
Lieutenant Colonel George Rogers Clark entered the Illinois

territory and began an American control of the settlements. This occupation and the progress of American forces curtailed much of the fur trade in southern Illinois for the duration of the Revolution. The Indians appeared to accept the new American dominance as Clark concluded peace treaties with many tribes and won their allegiance.

Although the British attempted retaliatory measures in the Northwest, it was evident they had lost the area. When the Revolution ended and the Treaty of Paris was signed, the new United States controlled this vast area. Britain still maintained her posts in the far Northwest. Although French and British traders continued to trade with the Illinois Indians, eventual domination would be by Americans.

CHAPTER II

THE ILLINOIS INDIAN TRIBES

Coming in great ships from the outermost limits of the Indian world, the whiteman, bringing strange animals, and offering in trade bright and glittering objects never seen by the Indians, appeared as a god to the red man. The French traders who moved into the Illinois country during the late seventeenth and eighteenth centuries established a sound foundation in trade relations with the tribes along the rivers of Illinois. Soon finding the shining objects of silver and gold, guns, liquor, and other articles essential to a new way of life, the Indian became dependent upon the trader. Likewise, the trader found that the Indian could supply him with furs relished by European markets.

By the middle of the eighteenth century, control of the Indian trade in Illinois slowly shifted from the French to the British. The depletion of fur-bearing animals in New England forced the British traders to pursue the moving tribes into the Northwest, thereby coming into contact with the Indiana and Illinois tribes, and into competition with the French. In addition, the establishment of British posts

and trading houses on the Great Lakes enabled the British to strengthen their hold on the Northwest. With a greater availability of trade goods, the Illinois tribes gradually shifted their dependence from the French to the British.

After the Revolution, the American government controlled the Illinois territory. But, why did the Indian offer so much hostility toward the American when he had been at peace with the French and British? Perhaps the answer lies in His Majesty's government's intent upon keeping a foothold on the Indian trade. The conniving attitude of the English filled the red man with ideas that the American was there to take his homeland. These ideas account for part of the reason for tribal actions, but also many Indians felt the King had sold their lands to the Americans and as a consequence, the Indians would be left without any trade at all.¹

Since various tribes lived in the Old Northwest at different times, their movements relative to the shifting stage of control by the colonizing nations is essential to the development of the Indian trade. The Algonquian family was the first to make contact with the French and British in Illinois. Located in an area east of the Mississippi, from Kentucky and Virginia on the South to the upper reaches

¹ Clarence W. Alvord, The Illinois Country, 1673-1763, in The Centennial History of Illinois, I (Chicago, 1922), 69.

of Canada on the North, this family of Indians was powerful and intent upon keeping other alien tribes from invading their lands.²

The several Indian tribes which inhabited Illinois and Indiana during the fur trade era of 1733-1813 were the Miami, Minnibagoes, Sacs and Foxes, Kickapoos, Pottawatomies, Weas, Piankashaws, and at various times, the Shawnee and Chippewa. As a result of the peace settlement following the American Revolution, the British officials were concerned over changes in "Crown policy": first, the almost certain loss of the Indian trade essential to Canada's prosperity, and second, the possibility of an Indian uprising. The Illinois Indian tribes were beginning to feel the brunt of the fast moving land speculators, land companies, and settlers. Earlier, the treaty at Fort Stanwix in 1763 establishing a barrier line in the western section of New York and into Ohio territory left most of the Illinois country to the Indian. Likewise, the Indians had the assurance, or so they thought, of British officials that their hunting grounds would not be overrun by the Americans.³

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Frederick W. Hodge, ed., Handbook of American Indians North of Mexico in Bureau of American Ethnology Reports, Bulletin 30, I (Washington, 1906), 39.

3

Wayne E. Stevens, The Northwest Fur Trade, 1763-1813 in University of Illinois, Studies in the Social Sciences, XIV, No. 111 (Urbana, 1923), 51.

General Frederick Haldimand, Governor General of Canada in 1783, expressed the policy of the British officials for the strengthening of their control on the Illinois trade when he said the posts at Detroit and Mackinac should remain in the hands of the English. He also stated the Indians would be invited to move North, closer to the posts, although they would continue to hunt along the Illinois and Indiana rivers and return the furs to the posts in the North. Furthermore, British and American traders would be allowed to move freely throughout the area.⁴

Pre-occupied with the Revolution, the American remained passive during the 1770's and early 1780's as to carrying on any substantial trade with the Indians. Now that the colonies had wrested themselves from British domination, American traders and settlers began the fast infiltration of the Northwest from across the Appalachian Mountains to begin settlements and reap some of the financial rewards offered by the traffic in furs. The Americans realized that a sound trade with the Indians would promote friendly relations with the tribes, and as a result, foster the development of civilization in the Ohio and Illinois river valleys. Thus, as competition, expansion, and monopoly became the catchwords in the Indian trade between the Americans

and the British, the Indian tribes continued to maintain trade with whom ever supplied them goods.

The Miami confederation was an independent tribe inhabiting the Illinois and Indiana country.⁵ The confederation was divided into three different bands, one the Miami itself, and the others, the Ica and Piankashaw. Prior to the Revolution, about 250 Miami were living around Fort Wayne, carrying on a profitable trade at that post.⁶ The Miami traded freely with traders of both nations since they depended upon the trade articles in their daily life. They were intent upon thinking of themselves as individuals, and when the fur trade shifted to American control, the Miami extended relations to the Yankees. Content with a peaceful trade, the Miami seldom went on the warpath except during the French and Indian War when it appeared that the balance might be upset by the French "taking possession of the Fort of the Miami."⁷ In retaliation, "[t]he French" were attacked by that Nation and in retreating many were killed.⁸ The stronghold of the tribe was on the Maumee River in northern Indiana although their villages were located along

⁵ Miram W. Beckwith, The Illinois and Indiana Indians (Chicago, 1884), 110.

⁶ Stevens, The Northwest Fur Trade, 62.

⁷ Clarence W. Alvord, ed., Waukegan Record, 1771-1781 in Illinois State Historical Society, Collections, II (Springfield, 1912), 200.

⁸ Ibid.

the Wabash River in western Indiana.⁹ The location of the tribe made them easily accessible by the traders moving up and down the Wabash and Maumee rivers.

Controlling the area between the Maumee and Wabash, the Miami were not willing to sign any treaties with the Americans allowing settlements in the area. Although the British influence was not strong enough to prevent the Miami from trading with Americans, the fear of encroaching settlements gave rise during 1737 and 1738 of raids against the American posts.¹⁰

By 1792, the trade had been so disrupted by the settlements and raids that the Miami tribe moved to Detroit hoping to escape the land hungry pioneers. Still other bands of the tribe moved into Illinois to carry on trade with the British merchants at Kaskaskia and Cahokia.¹¹

The Wea tribes, a division of the Miami confederation, remained peaceful during the Revolutionary War. In the 1730's the Wea, consisting of between 500 and 600 people lived and hunted along the Wabash River near Fort Ouiatanon. Visiting the post quite regularly, this tribe kept in constant trade relations with the British merchants moving

⁹ Hodge, Handbook of American Indians, 353.

¹⁰ Kellogg, The British Regime, 203.

¹¹ Wayne C. Temple, Indian Villages of the Illinois Country (Springfield, 1958), 52.

along the Wabash River to Detroit. Fearing American advances, the Wea began moving to the area near Kaskaskia and Cahokia in 1791.¹²

The Piankashaw, also members of the confederation, were more war-like than the Wea. They fought against the British and their Indian allies during the Revolution. Carrying on a profitable and equitable commerce with the remnants of the once great French interests, they remained hostile toward any disruption of the trade. From 1732 to 1736, the Piankashaws lived on the Wabash and Vermillion rivers, and unlike the Miami and Wea, they made friends of the Americans at Vincennes.¹³ Due to the diminishing French control, the Piankashaws, over a period of years, had felt the ruinous effects of contact with the whiteman's civilization, and the liquor offered by the traders had reduced their numbers considerably.¹⁴

When the Treaty of Greenville was signed in 1795, the Miami confederation, consisting of the Miami bands, the mobile Weas, and the dwindling Piankashaws, and realizing that Americans would be sprawling themselves all over their

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¹² Ibid., 69-71.

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¹³ Walter Lowrie and Walter S. Franklin, eds., American State Papers - Documents Legislative and Executive, of the Congress of the United States from the First Session of the First Congress to the third session of the thirtieth Congress, inclusive: Indian Affairs (Washington, 1932-1934), 1, 33.

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¹⁴ Alvord, The Illinois Country, 434.

hunting grounds, affixed their name to the treaty, and began to move west.¹⁵ The Miami moved to areas around Maysville and Peoria, the Wea and Piankashaw moved near Kaskaskia, and erected villages on the Vermillion of the Wabash River.¹⁶ Here they continued to trade until the early 1800's when new treaties with the Americans forced them to move across the Mississippi River.

Leaving central Illinois, the northern part of the territory was inhabited by the Sauk and Fox tribes who had established permanent residence along the Rock River in the 1730's. The Sauk and Fox were content to spend their trading activities in a peaceful atmosphere, but if the balance should be upset, they had a tendency to become hostile in order to protect their villages. Between 1783 and 1797, these tribes played a see-saw battle in trading with both the Americans and British.¹⁷ Their strategic position near the Wisconsin-Fox River portage and the Chicago portage made them a coveted group of Indians by the traders from the Canadian posts. The British, maintaining a post at Prairie du Chien, kept a profitable trade in goods and

¹⁵ Charles C. Royce, comp., Indian Land Cessions of the United States (Washington, 1899), 654.

¹⁶ Temple, Indian Villages, 73-80.

¹⁷ Ibid., 97-98.

fers with the Sauk, Fox, and Menominee tribes who frequently traded there.¹⁸ Neither the Sauk nor Fox Indians were represented at the signing of the Treaty of Greenville ceding Indian lands in 1795.¹⁹ It is apparent that the British influence and the hostile nature of the tribes kept them away. They were not going to submit so easily to the pioneer settlements. Not until the 1820's and 30's would most of the Sauk and Fox Indians move to Iowa as American frontier advances became ever more predominant.

The Pottawatomie tribes were scattered throughout Illinois. During the Revolution, the Pottawatomie favored the British, probably due to the influence of the traders along the Des Plaines and Kankakee portages, and the British inhabitants they traded with at Kaskaskia. In 1790 the Pottawatomie had villages located on the southern extremity of Lake Michigan near the Kankakee-St. Joseph portage, around Peoria, and they had succeeded the Illinois tribes in the central valley of the state.²⁰ Like many

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Emma T. Blair, ed. and trans., The Indian Villages of the Upper Mississippi Valley and Region of the Great Lakes, as described by Nicholas Bismarck, French Commandant at Fort West; Laquayville de la Potherie, French Agent at the Mission in Canada; Morrell Harston, American and English; and Thomas Forsyth, United States Agent at Fort Armstrong (Cleveland, 1911), II, 150.

19

Royce, Indian Land Cessions, 656.

20

Minian M. Edwards, History of Illinois from 1770 to 1833 and Life and Times of Minian Edwards (Springfield, 1870), 90.

other tribes of Illinois and Indiana, the Kickapoo²¹ succumbed to the pressures of American settlers, and affixed their signature to the Treaty of Greenville.²¹ They, as others would, by the 1820's and 30's, be moving across the Mississippi River.

The Kickapoo's, located in southern Wisconsin and northern Illinois, had by the 1730's moved into the central prairies of Illinois as the Sauk and Fox were well established in northern Illinois. The Kickapoos were numerous and warlike, and had their principal towns on the Illinois and the Vermilion of the Wabash. They were the most formidable and dangerous neighbors of the whites, and for a number of years kept the settlements on the American Bottom at the junction of the Illinois and Mississippi rivers in continual alarm.²² The Kickapoos were gallant fighters, proud and arrogant, and ever a potential source of trouble.²³

During the Revolutionary War, the Kickapoo sided with the British, but when George Rogers Clark, commander of the United States forces in the Northwest, appealed to their reason and stood before them unafraid, the Kickapoo began

²¹ Royce, Indian Land Cessions, 656.

²² Beckwith, The Illinois and Indiana Indians, 123-29.

²³ Alvord, The Illinois Country, 435.

treating with the Americans.²⁴ Despite their shift of allegiance during the Revolution, the Kickapoo kept themselves from being caught up in the evils of the white man's civilisation. They, unlike other tribes in Illinois, did not want the white traders mingling in their villages or using them for fur trading marts.²⁵ The Kickapoos enjoyed the articles they could get in trade, but rather than have the traders come to them, they preferred to travel to the trading posts. While in northern Illinois, bands of the tribe traveled to Mackinac and Prairie du Chien, and after moving to the central part of the territory, they journeyed to the trading houses at Kaskaskia or Fort Quiatanon on the Wabash River.²⁶

The Kickapoo, by 1781, were located on the Des Plaines River at the headwaters of the Kankakee River, north of the source of the Sangamon River in central Illinois, and a few scattered villages were located below the junction of the Little Vermilion River.²⁷ With the intensified movement of traders across the Des Plaines portage, the Kickapoo, by the late 1780's, began moving their villages and concentrating in the central part of the state. Their lodges extended

²⁴ Kellogg, The British Ravine, 154-55.

²⁵ Beckwith, The Illinois and Indiana Indians, 135.

²⁶ Alvord, Kaskaskia Records, 395.

²⁷ Temple, Indian Villages, 163-64.

from the Embarras and Kaskaskia rivers on the east to the Illinois on the West. Carrying on a peaceful and industrious trade, the Kickapoo traveled to Peoria to exchange furs for earrings, guns, pipes and trinkets of silver, blankets, and other articles.²⁸ The capital of the Kickapoo tribe was located southeast of present-day Bloomington, Illinois on two knolls opposite each other. "Old Town" as it is called remained the strategic point from which small bands of Indians filtered out on the near-by rivers to hunt. These small bands were known as transient camps and probably carried on the trade with the traders away from the central village.

Even though the Kickapoos did not sign many treaties with the Whiteman, they were represented at Greenville, Ohio for the signing of the treaty opening part of the Northwest to frontiersmen.²⁹ During the 1820's and 30's, the Kickapoos, like all the other Illinois tribes, began to fear the small farmers who were immigrating to the Northwest Territory in the hope of settling new lands. Eventually, the tribe found themselves moving their lodges across the Mississippi River into the unorganized territory of Iowa.

²⁸ Edwards, History of Illinois, 96.

²⁹ Royce, Indian Land Cessions, 656.

Throughout the territory of Illinois, there remained lesser tribes who traded with the British, and later, the Americans. These were the Delawares, Shawnees, and at times, the Chippewas. The Delawares were located in northern Illinois and Indiana in small scattered bands after the Revolution. They engaged in trading activities with merchants traversing the St. Joseph and Waukegan portage, and sometimes journeyed to the posts at St. Joseph and Detroit.³⁰ Content with trading among the British, the Delawares had little contact with the Americans. They moved into the north central part of Illinois by 1790, and did carry on some trade at Peoria. Like all tribes located in the Northwest, the Delawares felt the influence of the whiteman's greed for land, and adhered to the Treaty of Greenville in 1795.³¹ Soon the Delawares would follow the other tribes to the one big reservation reserved for them and all other eastern tribes in the unorganized territory west of the Mississippi River adjacent to the Illinois territory.

The Chippewa and Shawnee were two tribes living in southern Wisconsin. But, individual bands could be found in Illinois after the Revolution. These two tribes previously carried on extensive trade relations with the

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Temple, Indian Villages, 131.

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Royce, Indian Land Sessions, 556.

trial, but the advance of the American fur traders led them to shift their dependence to the new holders of the Northwest territory.

Chippewa and Shawnee villages were located near the Chicago-Des Plaines portage, and some were reported as far south as the Wabash and Vermilion rivers.³² Their names, along with many others, appear on the Treaty of Greenville as a realization that the era of the fur trade in the Northwest was giving way to the advance of permanent settlement.³³

When the Treaty of Paris was signed in 1763 ending the Revolution and giving the United States much of the Northwest, the Indians felt themselves befriended by the King of England, and that their lands had been sold to their enemy, the Americans. Feeling that the trade would cease, their only hope was to drive the Americans away from the Northwest Territory. In organizing its newly won territory, the United States followed a policy of pacification toward the Indians of the Northwest. Governor of the newly-created Northwest Territory, Arthur St. Clair, was sent to stop Indian trade upon the already existing terms, and to bring the Indians into accepting the Americans.³⁴

³² Edwards, History of Illinois, 26.

³³ Royce, Indian Tribes of Illinois, 186.

³⁴ Indian Tribes of Illinois, 186.

The British government proposed the idea of creating an Indian buffer state between the American settlements on the Ohio River and the British posts on the Great Lakes. In theory, the English posts at Mackinac and Detroit were to be turned over to the Indians, and each nation could send traders into the zone to trade. Under this idea, the number of Indian uprisings might decrease and strong commercial relations conducted by both nations could occur. The United States expressed a negative attitude toward the idea since in practice the British posts would probably remained under crown control.³⁵

With the conclusion of Jay's Treaty in 1796, Indian depredations almost ceased; the British stronghold had been removed and the Americans assumed control of the Great Lakes posts. But, in spite of the facts, the treaty did allow both nations to send traders into the Illinois country.³⁶

The British policy was further developed by a 1794 letter directed to the Lords of Trade from a British officer in the Northwest. He felt that American traders could be kept out of the area by establishing British depots along the portages and rivers of the Northwest that emptied into

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Samuel Flagg Bemis, Jay's Treaty, A Study in Commerce and Diplomacy (New York, 1923), 223-239.

³⁶

Ibid.

the Mississippi River.³⁷ The United States had not yet organized themselves into a sound commercial enterprise to deal with the Indian trade. During the period before 1800, only a small number of independent American traders operated in the Illinois country, while the British still had many traders, both independent and company, who had operated in the area for over thirty years. Their experience and ability was still dominate in the trade although American traders were progressing toward building a stable financial and commercial Indian trade.

The decline on the British hold on the fur trade was beginning to show in the late 1790's, and an observer of the situation stated that within a few years, "the active and avaricious Americans having driven the Indians and exhausted their lands, will become planters."³⁸ By 1800 the Illinois frontier line of Indian trading posts had grown considerably. Peoria, Prairie du Chien, Fort Dearborn, Fort Massac, Fort Wayne, and Vincennes were in control of the Americans, and these, along with the newly acquired ones of Detroit and St. Joseph, were regularly visited by the small number of Indians left in the area.³⁹

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Milo M. Quaife, Chicago and the Old Northwest 1673-1835, A Study of the evolution of the Northwestern Indian Country together with A History of Fort Dearborn (Chicago, 1913), 107-108.

38

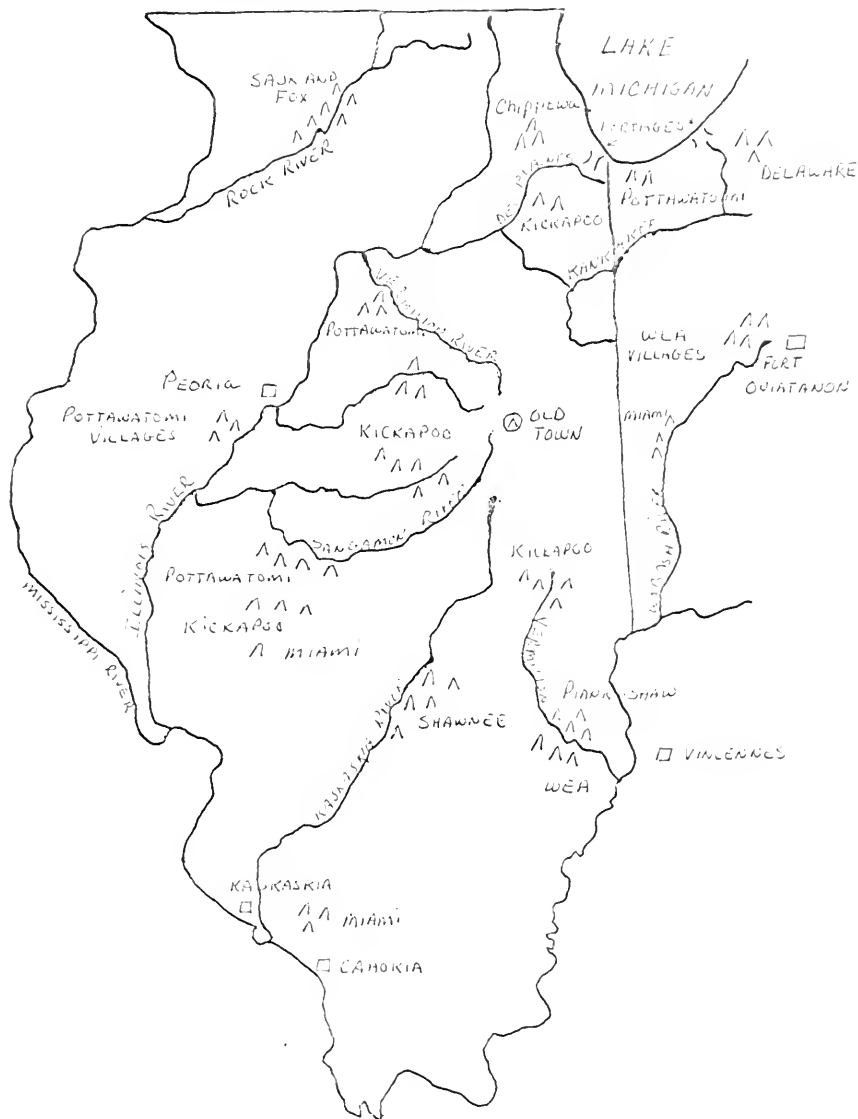
Stevens, The Northwest Fur Trade, 103.

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American State Papers: Military Affairs, I, 320.

INDEX MAP OF THE ILLINOIS INDIAN TRIBES

1775-1875



The recognition by the United States of the importance of the Indian trade came in 1796 when the American government provided for the regulation of Indian affairs and trade. The Ordinance of 1796 established an Indian Department divided into two separate divisions, the Northern and Southern departments. The Ohio River provided the boundary separating the jurisdiction of both departments. Each was to be directed by a superintendent and two deputies who resided in the territories to facilitate the regulation of the Indian trade. Congress felt a regulatory policy could lessen the British hold, and in time enable the Americans to control the trade themselves.

The act also placed in the custody of the superintendents such stores, provisions, and property that were considered gifts from the United States government to the Indians. The restrictions placed on those entering the territories to trade were designed to allow only United States citizens to reside among or trade with the Indians.⁴⁰ Under a penalty of \$500, each trader must have a license issued by the superintendent for the department in which the trader wanted to work. Due to the hostile acts of some Indians, the rules were strengthened from 1797 to 1798. At

this time, no one was allowed to trade with the Indians unless he had a permit issued by the Secretary of War, the Superintendent of Indian Affairs, or an officer designated by the Secretary of War.⁴¹ In this way the United States government felt it could promote better trade relations with the Indians. Through the license system traders who sold liquor to the Indians or encouraged them to go on the warpath against the American settlements could theoretically be kept out of the country. This plan was not entirely feasible since independent British, French, and even American traders were in the back country where they were free from the patrols that didn't venture into the interior.

Upon demands by traders that the licensing system procedure seriously endangered the conduct of the trade, the Secretary of War pushed for a change. A new law enacted in 1790 specified that a license be issued to a trader for two years providing he gave a bond of \$1,000. This would keep the individual aware of the fact that if he did not abide by the rules and regulations established by the United States then he would forfeit his bond.⁴²

The necessary provisions by the American government for the regulation of traders stems from other factors.

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ibid.

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Francois Paul Prucha, American Indian Policy in the Formative Years, The Indian Trade and Intercourse Acts, 1793-1834 (Cambridge, 1962), 65-7.

After 1790 the British openly encouraged the Indians to make war on citizens of the United States by supplying them with guns, ammunition, and other items. His Majesty's government, realizing American competition in the Illinois country threatened its domination, sought to use the Indians in order to retain control.⁴³ The United States was not experienced in trade relations nor did it really have any sense of commercial interest. Instead, its attitude was more imperialistic toward the Indian. The British controlled the area prior to the American Revolution, and they were not going to give up the prosperity of Canada just because Jay's Treaty demanded the Northwest posts be turned over to the American government.

From 1793 to 1800 the history of the Indian trade in Illinois takes on new characteristics as American control replaced British. The establishment of the Indian trading factory system and the presence of individual American traders in the Illinois country was a signal to the English that their control over the Indians and their commercial interests in the Northwest were coming to an end. In spite of the fact that Americans were characterized as land-hungry, venturesome pioneers interested only in establishing settlements, they realized that to pacify the Indians, trade relations would be beneficial to American policy. Besides,

there were but a few stores in the Illinois country, and the amount of trade. Indians came to the stores that opened stores in the Illinois country, and during the seventeen years between 1763 and 1800. The United States also realized that the traffic in furs and pelts was important to the country as well as to friendly relations with the Indians.

CHAPTER III

THE COMPETITIVE GROWTH OF THE INDIAN TRADE

In 1893 Frederick Jackson Turner, in his essay, "The Significance of the Frontier in American History," wrote:

. . . the Indian trade pioneered the way for civilization. The buffalo trail became the Indian trail, and this became the trader's 'trace'; the trails widened into roads, and the roads into turnpikes, and these in turn were transformed into railroads. . . . The trading posts reached by these trails were on sites of Indian villages which had been placed in positions suggested by nature [. . .].¹

The Indian trade or fur trade that Turner spoke of became the most significant commercial enterprise in Illinois during the first quarter of the nineteenth century. By 1800 American settlers forced most of the Indian tribes out of Indiana and into the Illinois country. On March 7 of that year, Indiana, with a population of 5,641, was declared a territory.² Although this is not a large population, it represents the creeping advances of

¹ Frederick Jackson Turner, "The Significance of the Frontier in American History," in George R. Taylor, ed., The Turner Thesis (Boston, 1955), 7.

² Francis S. Philbrick, The Rise of the West, 1733-1843 (New York, 1965), 313.

civilization across the Appalachian Mountains. As the settlers forced the Indians into the Illinois country, the fur trade reached greater proportions. Although it began in the early 1700's, the trade attained its greatest commercial value between 1790 and 1825.

The French were largely responsible for the development of the American fur trade as a profitable economic enterprise. Close behind the cross of the French Jesuit missionaries came French fur traders with guns and packs of trinkets intent solely on stripping the savage of his pelts, mainly through the ancient and honorable art of barter.³ As a result of the Seven Years' War, French dominance in the Northwest was eliminated and England fell heir to the control of the Indian trade. By 1795 the United States took a deep interest in the trade of the Illinois country.

The fur trade allowed the Indian to pursue his natural occupation of hunting while at the same time introducing him to civilized customs and articles which would add comfort to his daily life. The Indian became a professional hunter and trapper, and the skins he obtained were carried to London and Paris. There they were fashioned into garments which the

European aristocracy coveted no less than the Indian squaws coveted the trinkets and blankets. When conducted properly, the trade promoted peace and happiness among the Indians. In ". . . those January days when the white traders were here exchanging brilliant-hued blankets, gaudy calico and glittering beads for the spoils of their winter traps. . . Indian belles flittering among the giant maple and oak trees. . . , vying with one another in the display of their finery."⁴

The white trader was neither a god nor a philanthropic Santa Claus. He wanted something in return for his trinkets and blankets. Skins of wild animals were the only items the Indian could offer. The finer furs came from such animals as the beaver, raccoon, mink, otter, fox, wild cat, panther, and wolf, and the rough skins from the buffalo, deer, and bear. The Indian could also offer the less valuable skins of the muskrat, elk, porcupine, ground hog, wild hog, and rabbit. In addition to the furs, the Indian could trade manufactured items such as deer tallow, bear oil, beeswax, snakeroot, lead (mined in northern Illinois), maple sugar, corn, feather mats, and buffalo and deer horns.

The competitive nature of the fur trading activity in Illinois between the United States and Great Britain

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Ibid.

begins in the late eighteenth century. For, it is during the last decade of the 1700's that the profitability of economic intercourse with the Indians becomes apparent. The Indian trade in Illinois during the 1780's and 1790's was wholly in the hands of independent French and British traders. There appeared to be no attempt on the part of the British government or any large-scale business enterprise to commercialize the trade. Both seemed to express a greater interest in the Upper Great Lakes region than in the Illinois wilderness. This attitude developed in part because the Illinois country was now under the jurisdiction of the United States government, and French influence with the Indians was still very prominent. Likewise, it would have been difficult for the British to get the traders to yield their independence and work for a company.

The presence of British traders in Illinois caused concern to the United States since most of the economic value of the trade was going out of the country. And, since American settlers were moving into the regions of the Northwest, the dominance of the British made it difficult for the United States government to promote peace among the Indians. During the Revolution and after, the British openly encouraged the various Indian tribes in the Northwest to make war on American settlements in the hopes of retaining control over the trade. Such attacks caused alarm among the inhabitants of Illinois, and appeals were made to the

United States government. On December 3, 1794, Francois Carboneaux, agent for the inhabitants of the Illinois country, made a plea for the:

...Power of Congress to restore tranquility among the Inhabitants. ...to give Peace to those of the Frontiers of Virginia, and to establish, a valuable commerce, not only with the natives, but with New Spain, which is now wholly carried on by British subjects from Canada.⁵

And, the Commander at Fort Knox in correspondence to Washington in March, 1792 expressed the view "that British traders from Michilimackinac were operating along the Illinois and Wabash rivers, underselling United States traders with goods brought in without payment of duty and plying the Indian with strong drink."⁶

The British were also aware of their dominance in Illinois and the economic advantage they held on the area. By 1790 a large volume of trade worth 60,000 was sent through Michilimackinac from the Old Northwest including Illinois.⁷ Every spring, these traders would leave the interior of Illinois and travel to Michilimackinac, or

⁵ Clarence W. Alvord, ed., Waskaskia Records, 1778-1790 in Illinois State Historical Society, Collections, II (Springfield, 1912), 369.

⁶ Francis Paul Prucha, American Indian Policy in the Formative Years, The Indian Trade and Intercourse 1783, 1790-1794 (Cambridge, 1962), 68-9.

⁷ David Lavender, The First in the Wilderness (New York, 1964), 5.

Mackinac Island, then the rendezvous center of the North American trade. Agents from Montreal would meet the traders at Michilimackinac, buy furs and sell European goods for new outfits. The traders would then descend Lake Michigan to the Chicago-Des Plaines portage or travel overland to Prairie du Chien, and set up their winter posts along the rivers. In 1793 a British captain at Michilimackinac wrote to the British Governor in Quebec:

The most considerable Trade from this Post is to and beyond the Mississippi by the rout of La Prairie du Chien, from which place the traders descend with facility to the American settlements at the Illinois who are affected to the British Government. The trade to that Country is much in our favour, as they consume a great quantity of British manufactures particularly Cottons. . . .³

To end the growing rivalry and hostility among British traders, and to offset American interest in the fur trade, a number of large-scale business ventures involving both Canadian merchants and independent British traders were developed. The Northwest Fur Company of Montreal, formed in 1784 through the efforts of Benjamin and Joseph Frobisher and Simon McTavish - immigrant English and Scottish merchants, extended its activities into the Illinois country. Selling its shares among other prominent Montreal merchants, the Northwest Fur Company was the largest trading concern operating in the Old

Northwest, especially to the dismay of the United States government. Until the establishment of the American trade factory system, the Northwest Fur Company virtually monopolized the fur trade.⁹

In addition to the Northwest Fur Company, a smaller organization of independent traders known as the Michilimackinac Company operated in Illinois during the 1790's. This loose association of traders grew from the General Store of 1779 and established a trading house at Cahokia to supply the Indians. Although its business activity never grew to any great proportions, dying by the turn of the century, it represented an attempt to centralize and commercialize the fur trade through a business organization.¹⁰

By the mid-1790's, the United States government realized it must take prompt measures to extend its influence into the fur regions dominated by the Canadians. President Washington declared in 1794, "the improvement of harmony with all the Indians within our limits should be sought by the fixing and conducting of trading houses."¹¹ In establishing these trading houses, the United States could

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Paul Chrisler Phillips, The Fur Trade (Norman, 1961), II, 7-8.

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Lavender, The Plot in the Wilderness, 429; Alford, Kaskaskia Records, II, 395.

11

Prucha, American Indian Policy, 36.

promote better relations with the Indian tribes, and contribute to greater trade relations between the American traders and the Indians.

It was not until two years later that the ideas of President Washington would become the basis for the government's fur trading enterprise. Jay's Treaty of 1796 with Great Britain called for the surrendering into American hands of the northern posts at Michilimackinac and Detroit. Hopefully, this would lessen British influence in the Old Northwest and allow more freedom for American traders to trade in the Great Lakes region. Many foreign traders were already hampered by the customs duties they had to pay on goods which at times would be as much as twenty per cent.¹² The Canadians were annoyed by the government's restrictions requiring all foreign traders in America to have a license issued by the United States, forbidding the following of Indians to their hunting camps, and the forbidding of the sale of liquor to the Indians. But, in spite of these American regulations, British activity continued to flourish.

In 1795 Congress, to counter the English dominance of the fur trade, made an appropriation for the establishment of a "liberal trade with the Indians." The act provided "that a sum, not exceeding \$50,000, be appropriated to the purchase of goods for supplying the Indians within the

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Lavender, The First in the Wilderness, 42.

United States for the year 1795; and that all sales of such goods be made under the direction of the President of the United States."¹³ The act would go into effect for the next two years and later acts would extend the system until 1822. The first of the government's trading posts, known as factories, were located in the southern states. By an act of 1802, government factories were authorized for Detroit and Fort Wayne. Subsequent acts established factories at Chicago in 1805 and Michilimackinac in 1806, and by 1808 there were twelve factories in operation within the United States. Thus, the trade stations in the Old Northwest, including the Illinois country, came into direct competition with the trade monopoly enjoyed by the British.

The purposes of the factory system were first, to woo the friendship of the savages through commercial trade, and secondly, to set up standards of fair dealing with which private traders would have to compete.¹⁴ The United States had no intention of making money out of the factory system, but the factories were to be self-sustaining. Diplomacy more than economics guided American policy, for by helping the Indian secure goods at actual cost, the government would be rendering a real service to the Indians.

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Orin . Peake, A History of the United States Indian Trading Factory, 1795-1822 (Denver, 1954), 2.

¹⁴

Lavender, The First in the Wilderness, 43.

Hopefully, the Indian would patronize the factories more than the company or private traders from Canada. This type of "dollar diplomacy" meant that peaceful conditions might exist on the frontier which would then attract more settlers from the East.

The central office of the government factory system was in Philadelphia, Pennsylvania, from 1795 to 1807, and in Georgetown, District of Columbia, from 1807 to 1822. Goods for the Illinois country were purchased in Philadelphia, sent to Detroit or Michilimackinac, and then forwarded to Chicago. Supervision of the trade system was under the direction of the War Department and General John Mason was appointed superintendent of the Indian trade. A manager or factor was employed at each trading house, and an Indian agent from the War Department was appointed to supervise the diplomatic relations with the Indians in the vicinity of the factory.

The factories operated under stricter regulations than did the traders. The factories were prohibited from selling "a gun or other article commonly used in hunting; any instrument of husbandry, or cooking utensil of any kind usually obtained by the Indians in their intercourse with white people; or any article of clothing (except skins or furs)."¹⁵ The fine for such offenses was \$100. Exactly why

¹⁵Peake, Indian Trading Factory, 4.

this restriction was placed upon the factories is not known, for these items were what the Indians wanted and could get from the British. In any case, the act was rescinded soon after the first factories opened.

William Henry Harrison, Governor of Indiana Territory wrote to the Secretary of War that "the Indian chiefs complain heavily of the mischiefs produced by the enormous quantities of whiskey which the trader introduced into their country."¹⁶ And in a speech to the Indiana territorial legislature in 1805, Governor Harrison said,

You are witnesses to the abuses; you have seen our towns crowded with furious and drunken savages, our streets flowing with their blood, their arms and clothing bartered for the liquor that destroys them, and their miserable women and children enduring all the extremities of cold and hunger.¹⁷

Though the trade factories were prohibited from selling liquor, the British continued to sell great quantities illegally. The factories could not extend credit; the British did. The Indians had to travel to the factory; the Canadian trader followed the Indian. These restrictions would eventually be responsible, in part, for the downfall of the factory system.

16

Milo M. Quaife, Chicago and the Old Northwest, 1773-1835, A Study of the evolution of the Northwestern Territory together with a history of Fort Dearborn (Chicago, 1915), 134.

17

Ibid., 133.

Despite the regulations, the American government had faith in its enterprise. President Jefferson, in a message to Congress in 1803, stated "that private traders, both foreign and domestic, were being undersold and driven from competition, that the system was effective in conciliating the good will of the Indians, and that they were soliciting generally the establishment of the trading houses among them."¹⁸

Private traders did exist in Illinois prior to the establishment of the government factory at Chicago. About 1800, traders had a post just south of the "great bend" of the Mississippi River in present-day Hancock County. Deer, panther, bear, wild turkey, timber wolves, and foxes abounded in the area, while the streams were full of beaver.¹⁹ A trader, Michael Brouillette, obtained a license to trade with the Kickapoo Indians at their towns on the Vermillion River in 1804.²⁰ Two partners, Thomas Forsyth and his half-brother, John Kinzie, operated posts at Peoria and Chicago in 1805. Their trade was good, for Kinzie paid a "sum of two hundred and forty-five pounds in a single

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¹⁸ Ibid., 294.

¹⁹

¹⁹ Ruth Cory Aleshire, "Warsaw and Fort Edwards on the Mississippi," Transactions of the Illinois State Historical Society, No. 37 (1930), 200.

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²⁰ Wayne C. Temple, Indian Villages of the Illinois Country (Springfield, 1955), 82.

the enterprise. Excellent testimony to a village
in 1817, states that private traders, both
the Americans, were being tolerated and driven out.
that the system was effective in controlling
the trade of the Indians, and that they were still
favoring the establishment of the trading posts
in 1818.¹⁰

These traders did exist in Illinois prior to the
opening of the government factory at Chicago. About
1818 there had a great part north of the great bend
of the Mississippi River in present-day Hancock County.
There were deer, wild turkey, timber wolves, and bones
in the area. While the streams were full of
fish and turtles, Michael Brullmont, obtained a license
from the Illinois Indians at that time in the
winter of 1818.¹¹ The partners, Thomas Forsyth
and another, John Kinzie, operated posts at Fort
in 1818. Their trade was good. John Kinzie paid
for the winter and forty-five pounds in a single

¹⁰ p. 27-.

¹¹ See also, "Account and First Remarks on the
Habits and Manners of the Indians of the State of Illinois,"
p. 27-.

¹² See, "Journal of the Illinois
Exploration," 1808, 12.

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Ibid., 294.

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Ruth Cory Aleshire, "Warsaw and Fort Edwards on the Mississippi," Transactions of the Illinois State Historical Society, No. 37 (1930), 200.

²⁰

Waldo C. Dumble, Indian Villages of the Illinois Country (Springfield, 1955), 82.

venture at Peoria."²¹ In May, 1804,

the sloop General Hunter left Mackinac for 'Chicago', carrying to Kinzie and Forsyth a barrel of gunpowder, 2 bars of iron, a box of tobacco, 19 bags of flour, 3 boxes and 3 kegs of undisclosed contents, and a trunk. On the return voyage, 'inwards' bound from St. Joseph and 'Chicago', the Hunter brought 321 packs of furs, of which 153 belonged to Kinzie and 68 to Forsyth alone. The sloop Contractor left Mackinac for 'Chicago' on June 6, 1805, with 65 barrels of pork, 120 of flour, 35 of whiskey, 4 boxes of candles, and 4 'new saddles.' She returned 3 weeks later with 474 packs of furs.²²

Each pack of furs would be worth approximately 10 to 15.

The government factory at Chicago began its operations in 1805. The factor, Ebenezer Belknap, was commissioned on March 19, 1805, and Charles Jouett was appointed Indian agent. Mr. Belknap's fitness for the job was questioned and he was subsequently replaced in December, 1805, by Thomas Haywood who resigned in 1807. Matthew Irwin replaced Haywood until the factory closed during the War of 1812. To initiate the Chicago factory, "an invoice of new goods to the value of \$3,000 was ordered to be sent to Detroit for the Chicago factory" by William Davy of the War Department.²³ Evidently, the department expected a large volume of trade at Chicago.

²¹ Quaipe, Chicago and the Old Northwest, 287.

²² Milo M. Quaipe, Lake Michigan (Indianapolis, 1944), 116.

²³ Quaipe, Chicago and the Old Northwest, 267.

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Locating a factory at Chicago seemed to be a wise investment, for geographically, it stood between Lake Michigan and the Illinois River. These two waterways had, since the time of LaSalle, been the main transportation routes of the Indian and the trader. In a letter to the Secretary of War, William Davy, Henry Dearborn of Chicago wrote,

I very much doubt the expediency of removing our factories, from Fort Wayne and Chicago to Michillimackinac. We should by such a measure, deprive the Indians generally, who have become our friends and depend on our supplies, of any means of procuring goods, except by small British traders. . . and who are and would be principally supplied by the British companies. None would be the equal of Chicago.²⁴

To the dismay of the United States government, the Chicago factory was not going to break the influence of the British traders in the Illinois country. American goods, whether sold at the factories or through pioneer American traders, were regarded by the Indian as inferior to those sold by the British. Part of the reason for this attitude is simply the fact that American manufacturers were not taking the time to produce quality items. They were concerned rather with quantity. The greatest number of purchases of materials for the government Indian trade was made in Washington because the merchants there were

better informed of the government's needs.²⁵ The English claimed that cheap goods were bought in America in order to encourage home industry, and therefore, didn't have the Indian's welfare in mind.²⁶ The British were trading better quality goods made in Europe while at the same time leading the Indian to believe the insinuations that the United States was selling what was meant to be gifts to the tribes.²⁷

Despite these accusations, which for the most part were not true, the fact that the government trading factories were conducting business and the number of American pioneer traders in the Old Northwest was increasing, caused the British Northwest Fur Company to feel the pressure. This company was one of the largest dealing in the fur trade of the Great Lakes region. By 1805 the company's field of operations included southern Canada, the Great Lakes region, and most of the Illinois country; it couldn't handle them all. So, to conduct the trade in Illinois and the upper Mississippi valley, articles of agreement were drawn up at Montreal for the establishment of the Michilimackinac or Mackinac Company. Although the intent was for

²⁵

Pecke, Indian Trading Factory, 53.

²⁶

Ibid., 45.

²⁷

Clarence W. Alvord, The Illinois Country, 1673-1818, in The Centennial History of Illinois, I (Chicago, 1922), 439.

this company to huddle, and therefore, compete with the Americans in the Old Northwest, its financial stability and trade capability were too weak for it to successfully capture more of the trade. It plugged along for four years and finally failed as a business venture in 1810.

This short-lived attempt of the English merchants to counter the operations of the factories in the Great Lakes area, especially Chicago, proved minute. This is not to say that the failure of the Michilimackinac Company and thus, British trade, was due to the factory system. It was a well known and conceded fact of American officers and Indian agents that the British traders furnished the Indian better goods than did the Americans. They had better relations and a fluent understanding of the Indian language and character which afforded them a friendlier relationship with the tribes.²⁸ It must be remembered that most of the British trade was handled by French-Canadians who knew the customs of the Illinois Indians far better than did the American trader. And, prior to 1809, the trading houses operated by the government factory system had incurred a loss of \$44,333.²⁹

The intent and purpose of the government system was,

²⁸

Grant Forman, "Illinois and Her Indians," Illinois History and Transactions for the Year 1938, (1948) 73.

²⁹

Phillips, The Fur Trade, 84.

as the Superintendent of the Indian trade stated to
Matthew Irwin, factor at Salsago, for,

. . . the Government in these establishments. . .
to secure the Friendship of the Indians in our
country in a way the most beneficial to them and
the most effectual and economical to the United
States. . . .³⁰

The system could never compete on an equal footing with
the British traders as it was presently being conducted.
The names of Bigrain, Bourbonnais, LaVoy, and Maisonneuf
furnish a typical illustration of the nationality of the
men who conducted the Illinois fur trade for the English.³¹

Economically, the factory system was to be self-
sustaining. While foreign traders were realizing prices on
goods sold to the Indian of up to 200 percent, the prices
charged by the factories for such goods were far below this
percentage, and thus, not competitive. In the 1808 letter
mentioned before, the Superintendent also instructed Irwin
that,

The prices you put on the Goods you have on
sale must necessarily vary according to circum-
stances, but that which you will consider as the
standard advance on the price charged in the In-
voices received from the Office, will rate from
66 2/3 to 100 per centum and this you will con-
sider as the estimate to cover the cost of trans-
portation and to yield such profit only as will
indemnify the establishment for the expenses at
your Trading House. . . and with the rate you will

³⁰

Thwaites, ed., "Fur Trade on the Upper Lakes," 327.

³¹

Quaife, Chicago and the Old Northwest, 208.

be obliged to allow for Sains to ~~pay~~ is to
to pay all charges and avoid sinking money. . . .³²

out, should a deficit exist, the factor was allowed to in-
crease the price within limits.

The many different types of trade goods used in the
Indian trade remained the same, whether sold by the United
States factories or by British and American traders. Per-
haps the only difference between American and British ar-
ticles was the quality of the item.

Blankets became the single most important item an
Indian would buy. Lewis Cass, governor of the Michigan
Territory, observed that "a blanket is frequently [an In-
dian's] house and it is always the most essential part of
his dress. The heavy Mackinac blankets are almost imper-
vious to rain, and are. . . large enough to cover an Indian
completely."³³ The Mackinac blankets used by the British
traders were manufactured at Whitney or Oxfordshire,
England. Blankets sold by the United States had to meet
certain requirements as exemplified in the following cir-
cular to Massachusetts' manufacturers on May 1, 1812:

A 3 point Blanket should measure in length 6
ft., in breadth 5 ft., 2 in. and weigh when
dressed 4 lbs. A 2½ point blanket should measure
in length 5 ft., 2 in., in breadth 4 ft., 4 in.
and weigh when dressed 3 lbs., 2 oz. Both should

³²

Thwaites, ed., "Fur Trade on the Upper Lakes," 327-
28.

³³

Lavender, The Fists in the Wilderness, 2-.

be woven twilled all white except two cross stripes of very dark blue placed two inches distant from each end of the blanket and each stripe not be less than three nor more than four inches wide; near one of the stripes should be placed the points also of dark blue, extending inwardly from the selvage to shew on the right side of the blanket; they should be $\frac{1}{2}$ an inch wide, and 21 inches long for the whole points and 2 inches long for the $\frac{1}{2}$ points. The blanket after mil-ling should be dressed so as to raise a long shag as per samples, and should be most on the sides of points shew.³⁴

If the blanket was not made according to the above procedure, it would not shed rain properly.

Strouds, for shoulder wear, were next in importance to be purchased and sold by the factories. Those ordinarily sold consisted of blue and red cloth with a narrow white cord, but the Superintendent of the Indian Trade had purchased more than 150 different kinds of cloth. Other dry goods included calico, skeins of wool, domestic cotton, flannel, molton, shawls, handkerchiefs (silk and cotton flag), ribbons, and among the British goods, Irish linens, Scottish sheetings, worsted yarns, and cottons from Manchester.³⁵

The factories also sold many different kinds of wearing apparel; shirts which were made at the House of Industry in Alexandria, Virginia, pantaloons, waistcoats,

³⁴

Peake, Indian Trade Factory, 55-6.

³⁵

Tinnis, The Fur Trade in Canada, 166.

leggings, cloth sleeves, chief's shirts, shoes, moccasins, caps, and small children shirts. The cold Illinois winters demanded clothes since blankets and moccasins would not afford protection.

Jewelry was purchased in great quantities by the government and sold to the Indians. Arm and wrist bands were sold along with such silver items as ear boss, brooches (in all sizes), crosses (mainly double), ear wheels, crescents, gorgets, and rings. Many traders as well as the factories carried large quantities of jewelry because the Indian used them to adorn the body as well as clothes. Archaeological evidence at the Lorton trading post site on the Sangamon River indicates the use of silver ear pieces.³⁵

Large assortments of kitchen utensils and hardware were also sold. Brass and copper kettles, pots from a pint to ten gallon capacity, tin pans and cups, jugs, crockery, glasses, mugs, forks, spoons, knives, candle and bullet molds, and wooden dishes were considered the general line. Kettles were relished by the Indian women since many meals consisted of large soups or stews. Thomas Forsyth, Indian trader and later, an Indian agent at Peoria, relates,

Robert L. Hall, Larry L. Bowles, and Emily C. Haskinham, "The Search for Lorton's Trading Post: A Report of Archaeological Excavations," Illinois State Museum Ethnology Reports, No. 10 (1966), Plate 5.

course was available from the private traders only, and the government factories were forbidden to sell it. The largest quantities of liquor that managed to be sold were Pennsylvania whiskey, Madeira wine, and West India rum.³⁸

As an economic institution, the fur trade relied on a simple system of barter. The Indian gave something that he valued lightly, and in return received something that he valued greatly. In this system of exchange, it is difficult to find a set price in dollars and cents for the value of furs in relation to goods. The actual placing of a monetary value would come after the Indian factory or the traders had in turn sold their furs to manufacturing companies. Likewise, values differed from area to area, and trader to trader. As a guideline or indicator, the following prices existed in the Upper Great Lakes markets: beaver skins at \$3.50 each, otter at \$4.50, deerskins (in proportions of bucks to does) at \$1.00, muskrats at 25¢, raccoon at 50¢, and buffalo robes at \$3.25.³⁹

Besides furs and peltries, the Indian also traded "home industry" items valued as: deer tallow at 14¢ lb., beeswax at 39¢ lb., lead at 5-5½¢ lb., feather mats at \$1.25 to \$1.50 each, and buffalo horns at 25¢ to 50¢ each.

³⁸ Iversen, The Furs in the Wilderness, 25.

³⁹ Innis, The Fur Trade in Canada, 264-65.

Indian Agent Nicholas Gilman of Prairie du Chien reported that the Sauk and Fox Indians of northern Illinois and Iowa "...turned their attention to the manufacture of lead, which they produce from a mine sixty miles below Prairie du Chien. . . . They manufactured 400,00 lbs. of lead which they exchanged for goods."⁴⁰ Prices for goods sold by the traders and the Indian factories were too difficult to figure because of the percentage increase for transportation and handling. For example, a few prices from Chicago were tobacco at 50¢ lb., powder at \$1.50 lb., shot at 33¢ lb., flour at 10¢ lb., and a silver brooch at 20¢.⁴¹

Prior to the war of 1812 with Great Britain, the Indian factory at Chicago conducted a profitable trade. For the four year period of January, 1808 to September, 1811, the factory realized a profit of \$3,424.24.⁴² The peltries purchased by the factory were mainly shaved deer skins which deteriorated little in handling, and were used chiefly as hatters' furs. From April, 1811 to April, 1812, a single years' profit of \$1,773.94 was made.⁴³ An abstract

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Foreman, "Illinois and Her Indians," 96.

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Quaife, Chicago and the Old Northwest, 283.

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Peake, Indian Trading Factory, 299.

⁴³

Ibid.

of the property on hand and debts at the Chicago factory on December 31, 1810 put the value of the post at \$7,477.33.⁴⁴ When the factory closed in 1812, its stock on hand was worth \$12,000, and its total stock, buildings, and peltries amounted to \$13,727.15.⁴⁵

The business conducted by the Chicago factory never really injured the British hold on the Illinois Indian trade. British traders were in the Illinois country, and their influence and business dealings had long been secured. And, with the many government restrictions on the factories, they were prevented from really undermining English activity. The power of the monopoly that the British held in Illinois before the War of 1812 was one of influence, prestige, and friendship, not one of dollars and cents. Certainly, the traders from Canada were making some money from their trade, but not as much as the fur trading companies had prior to 1805. From 1805 on, the economics of the business slowly shifted into American hands. This was due in part to the Indian factory system, but more emphasis should be placed on the fact that novice American traders were increasing their numbers every year. Feeling this competitive surge by the United States, the Michilimackinac Company of 1784, the Northwest Company, and the

⁴⁴

Ibid., 98.

⁴⁵

Ibid., 300.

Michilimackinac Company of 1806 had all but ceased their activities in Illinois by 1810. All of these enterprises furnished Canada with its economic foundation as part of the British empire.

A last enterprising effort was made by two Montreal firms to secure a new lease on the fur trade in Illinois. Forsyth, Richardson, and Company, and McTavish, McMillvray, and Company formed the Montreal-Michilimackinac Company in 1810 to trade in the Great Lakes region. On January 28, 1811, after a year of unsuccessfully trying to make a profit in the trade due to lack of capital, the American Fur Company of John Jacob Astor and the Montreal firm agreed to a merger. The American interest would be one-half with goods being supplied through New York, and the English interest one-half with goods coming through Quebec. The combination resulted in the Southwest Company. The agreement was to last five years. Goods were to be put together at Michilimackinac and outfits formed there. Profits or debts were to be shared equally. Provision in the agreement acknowledged the fact that if the government trade factories should be abolished, two-thirds of the business of the Southwest Company would revert to the American Fur Company.⁴⁵

The American enterprise under the direction of John Jacob Astor made a name for itself in the fur Northwest prior to the War of 1812. With the agreement forming the Southwest Company, the interest of an American concern in the fur trade of the Great Lakes and Illinois was established. Not until 1814 would the American Fur Company assume its leadership in the Illinois country. This was due in part to the interruption of the fur trade by the War of 1812 with Great Britain.

CHAPTER IV
THE INDIAN TRADE
1812 - 1814

The War of 1812 disorganized and changed considerably the very nature and conduct of the Indian trade in the Illinois country. Part of the cause for this war with the British can be found in the commercial rivalry and invasion of American neutrality on the high seas during the Napoleonic Wars.¹ But in the Old Northwest, the demand for war was louder and more intense than in other parts of the United States. The spirit of nationalism among the frontier regions to end British influence among the Indians increased during the first decade of the nineteenth century. British traders operating in America had almost complete control over the center of the fur trade economy, especially in northern Illinois. If the United States was to profit from the resources of the area, she had two commitments to meet. First, control of the border between Canada and the United States had to be secured, and secondly, American-Indian relations had to be vastly improved.

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For an analysis of the War of 1812, consult Reinhold Foreman, *The War of 1812* (New York, 1969) or Julius W. Pratt, *Expansionists of 1812* (New York, 1925).

For the Westerner, who was certainly involved with these two situations more so than other sections of the country, war was the only answer.

Since Jay's Treaty allowed the Canadian traders to operate south of their border, inexperienced American traders engaged in a losing battle with them. The American Indian factory system attempted to compensate for this lack of experience. But, with the many government restrictions, the factories were unable to exert the necessary political influence over the Indians. As long as the British traders could tell the Indians they must resist creeping American settlers or lose their lands, the intruders were assured of Indian allegiance.

The United States government enacted a non-importation law in 1809 by which it sought to keep British goods out of America, and thus halt or damage England's trading activities. The law did more harm to the Americans since many of the factories' goods were now coming from Great Britain. In response to the American effort, Indian agents from Canada increased their program of supplying the Indians and inciting them to attack American settlements. In April, 1811, Secretary of War, William Eustis, wrote to the territorial governors and Indian agents in the Old Northwest in which he warned:

In consequence of the operation of the late law prohibiting the importation into the United States

of British goods, the British agents in Illinois with the Indians, may attempt to excite in their minds, prejudices and hostile dispositions towards the United States, insinuating that as the British goods intended for their trade, will not be permitted to enter and pass the American posts on the Western Frontier, this act, which has been dictated as a measure of general policy in relation to Great Britain, was intended as an act of hostility against the Indians.²

In 1811 most of the Illinois territorial population was concentrated in the south. Except for a settlement at Peoria, the United States trade factory and Fort Dearborn at Chicago, and a few military posts scattered along the principal rivers, the remainder of the territory was controlled by the British traders and their Indian allies. As the Indians increased their hostilities against the Americans, the people of St. Clair County asked Territorial Governor Minian Edwards in 1811 that "one fort or block house be established in the seditious village of Peoria, the great nursery of hostile Indians and traitorous British Indian traders."³

Governor Edwards and the United States Indian agents attempted councils with the Indians in Illinois in order that peace might be restored. At one council in Peoria,

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Reuben Gold Thwaites, ed., "Fur Trade on the Upper Lakes, 1773-1815," Collections of the State Historical Society of Wisconsin, MW (1910), 335-39.

3

Frank B. Stevens, "Illinois in the Year of 1811," Transactions of the Illinois State Historical Society, III (1904), 69.

it was learned from a trader who had been to the Canadian post of Fort Malden that the Indian department there was spending £20,000 sterling over its normal expenditures in goods.⁴ The amount was thought to be for inciting the Indians to go on the warpath. The American government also attempted to buy the Indian's friendship, for the United States dispensed \$2,377.55 to Chicago, \$3,255.31 to the Prairie du Chien agency, and \$10,410.36 to the Kaskaskia agency, all for trade articles.⁵

In an effort to stop the importation of goods to the Indians, Matthew Irwin, factor at Chicago, suggested to the Secretary of War that when the British traders visited the Indians in the spring of 1812, they should be arrested. But due to jurisdictional problems, the Secretary felt that such a move might not be feasible.⁶ Since the manpower was not available to police the Indian areas, the territorial government could not continue to engage in friendly discussions with the Indians and ask the traders to leave the country until peace was restored.

4

Ibid., 95.

5

Walter Lowrie and Walter S. Franklin, eds., Early State Papers - Documents Legislative and Executive, of the Congress of the United States from the First Session of the First Congress to the Third Session of the Tenth Congress, inclusive: Indian Affairs (Washington, 1891-1911), II, 31-3.

6

Irwin to the Secretary of War, October 30, 1811, in Clarence E. Carter, ed., The Territorial Papers of the United States. Illinois Territory, XVI (Washington, 1948), 175.

Not only did the Americans have to contend with English traders agitating the Indians and supplying them with goods, but also with the rise to leadership of two prominent Indians in the Wabash River valley. The Shawnee chief, Tecumseh, and his brother, The Prophet, began their campaign of allying tribes in Indiana and Illinois Territories for attacks against the settlers. Tecumseh reasoned that the various treaties signed by the Indians since 1803 with Governor William Henry Harrison of Indiana Territory were invalid because all Indians owned the lands signed away by various tribes. In an effort to regain these lost lands and unite all the tribes, Tecumseh succeeded in gaining British support of arms and ammunition. Several of the Illinois Indians, namely the Pottawatomies, Winnebagoes, and Kickapoos, joined the Shawnee chief at Prophetstown in Indiana Territory. The Illinois frontier remained quiet in late 1811, but after the Indians defeat at the Battle of Tippecanoe in November, these tribes again moved into the Illinois River valley and began their attacks. The British agents from Wisconsin, among them was a well-known agitator, Robert Dickson, moved into the Illinois country with their goods and also with purposes of inciting the Indians.⁷

The coming year brought renewed depredations to the

Illinois frontier. General William Clark of St. Louis wrote the War Department on January 12, 1812, that "he had this moment heard, by an express from the commanding officer at Fort Madison [near the mouth of the Rock River], to Colonel Bissell, that a party of Minnegoes (part of them of The Prophet's party) did, on the 1st instant, rob and kill several American traders, near the Spanish mines, on the Mississippi."⁹ In addition, two Pottawatomie war chiefs of the Peoria area, Bomo and Main Poc, were potential leaders in uniting the tribes in central Illinois into a striking force. By spring of 1812, it became clear to the Illinois territorial government that something had to be done to lessen the widespread influence of the English and keep the Indians from taking up the tomahawk. Governor Edwards invited representatives of the Kickapoos, Chippewa, Ottawa, and Pottawatomie to a council at Cahokia on April 16, 1812. His speech, though, sounded the prevailing mood of frontiersmen and exemplified that underlying spirit of manifest destiny:

We shall take Montreal and all upper Canada, British traders and English goods will never be suffered to go among you again. Our own traders will all be recalled. War will be waged against you. Your country will be taken and strong garrisons will be built in order to retain it. Consider how you are to live without any trade, when,

at the same time, you will be so situated in
war, that you cannot fight nowhere else.⁹

Governor Edwards' threat seemed to echo the thought that
only by taking Canada would the fur trading problem be
settled. In spite of the warning, Lemo's and began buy-
ing guns and ammunition from British traders operating as
far south as Peoria.¹⁰ On June 13, 1812, war was declared
between the United States and Great Britain.

Most of the Illinois territory was now in turmoil as
the Indians, supplied with British goods, increased their
attacks. During the years between 1812 and 1814, the In-
dian trade shrank to a small portion of its pre-1812 vol-
ume. Unable to acquire goods and hampered by the Indians'
desertion of the trap line, the traders of John Jacob
Astor's new enterprise, the Southwest Fur Company, all but
ceased operations. The United States Indian factory at
Chicago was forced to close. Unfortunately, when the fac-
tory closed, it was successfully undermining the British
trade. By the end of fiscal year 1812, the factory's debts
totalled \$13,735.25 while its credits were \$20,559.19.¹¹
But, for the year ending in April of 1813, the factory's

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Ill., 102-103.

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Thomas Forsyth to Governor Minian Edwards, June 8
1812, in Carter, ed., Territorial Papers, XII, 220.

¹¹

American State Papers: Indian Affairs, II, 37.

debts were \$20,373.04, its credits were \$20,172.20, and it lost in property taken or destroyed the amount of \$13,074.47.¹²

The superintendent of the Indian trade reported that Chicago purchased only \$5,936.69 worth of furs and had been sent \$5,097.06 in merchandise during 1811-1813.¹³ On August 6, 1812, the factor at Chicago wrote John Mason, the superintendent of the Indian trade, that "the packs from the Chicago Trading House (99 in number) have fallen with some public letters, directed to me, into the hands of the British."¹⁴ Nine days later the Fort Dearborn massacre occurred, leaving the Chicago area in the hands of the British and their Indian pawns. With the fort and factory in Chicago lost to the enemy, the whole of northern Illinois down to Peoria was out of American control.

Then it was learned that English agents were in the north, some in Chicago, supplying arms and ammunition to the tribes, renewed efforts were made to take the area. Between 1812 and 1814 expeditions under Governor Edwards, General Howard of Louisiana, General Clark, and others penetrated into the portion of Illinois held by the Pottawatomies. By 1814 the British supply of goods

¹²

Ibid., 42.

¹³

Ibid., 56-3.

¹⁴

Carter, ed., Territorial Papers, XVI, 230.

72
swindled and the Indians were accused of killing the Americans.¹⁵ In mid-1814 many of the Pottawatomi bands, especially those under Gomo and Black Partridge, moved south to Peoria and began trading with the settlers there.¹⁶ Conditions in the Illinois territory began stabilizing by 1814, and with the Treaty of Ghent provision, calling for the British to leave the area south of the border, it seemed the Indian trade would pass under American control.

It now became the express purpose of both the Illinois territorial government and the United States government to bring peace to the frontier and to trade with the Indians. John Kinzie, a trader of long standing in Chicago before the war, was sent from Detroit on a fact-finding mission by the government to see how the Americans might better their trade relations with the tribes in northern Illinois. He learned that a general condition of hostility still prevailed among the Indians and that pacification would be the government's main problem.¹⁷ He also found that in 1814 nine-tenths of the trade was still carried on by the Canadians operating under the cloak of John Jacob Astor's

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Winands, "The Illinois River Pottawatomi," 359.

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Forsyth to General Howard, July 6, 1814, in Carter, ed., Territorial Papers, XVI, 446-47.

¹⁷

James Ryan Gordon, "John Kinzie's Place in History," Transactions of the Illinois State Historical Society, LXIX (1932), 192-93.

75

Southwest Fur Company. Besides supplying the Indians with better quality goods, these traders also gave them generous amounts of liquor.¹⁸

As peace followed the War of 1812, the Illinois country rapidly developed into an area of intense competition for control of the Indian trade. The United States quickly renewed its efforts in the fur trade by establishing new factories. The Southwest Fur Company, formed in partnership with the Montreal merchants, became solely American owned under the name of the American Fur Company. Yet, the British trade influence remained leaving three different forces engaged in a competitive battle for the Indian's trade.

As the United States took control of the fur trade center at Mackinac, which had been the seat of British commercial activity, the Canadians simply moved to the nearest sites on British soil. From Amherstburg opposite Detroit and Drummond Island near the Mackinac straits, the English traders and agents began a policy of gift-giving in the hopes of retaining their hold on the Indians.¹⁹ The British were not slow in returning to the territory to

¹⁸

Ibid., 193

¹⁹

Robert Way, "The United States Factory System for Trading with the Indians, 1796-1822," in Mississippi Valley Historical Review, VI (September, 1919), 225-26.

continue trading, nor were they appreciated by the territorial authorities. On September 13, 1815, Governor Edwards and Indian Agent Auguste Chouteau, in a letter to the Secretary of War, wrote "a number of British traders, with goods to a great amount, on which they have paid no duties, have arrived on the Mississippi, and we feel well assured that many of the difficulties that have occurred with the Indians, and which still continue, are justly attributable to that class of people."²⁰

The agreement between Astor and the Montreal merchants in 1811 was to last five years or until such time as an exclusion law was passed by the United States prohibiting unlicensed traders from entering the boundaries of the United States. British traders were still operating in the Indian country in 1815. Therefore, upon recommendation from Governor Lewis Cass of Michigan Territory, Congress, in an effort to curb Canadian influence, passed a licensing law.

Licenses to trade with the Indians within the territorial limits of the United States shall not be granted to any but citizens of the United States, unless by the express direction of the President of the United States, and upon such terms and conditions as the public interest may in his opinion require.²¹

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American State Papers: Indian Affairs, II, 9.

²¹

John D. Haeger, "The American Fur Company and the Chicago of 1812-1835," in Journal of the Illinois State Historical Society, LXI (Summer, 1968), 121.

Foreigners who brought merchandise into the territories without a license could be fined or imprisoned. And, the governors and Indian agents in the various territories were allowed to issue the license since they had better knowledge of the character of the traders. Whether or not such a law would successfully reduce the British influence remained to be seen.

The United States, in its efforts to combat the power of the private traders, began reestablishing and enlarging its previously begun factory system. In councils and conversations with the Indians of the Illinois Territory, the government learned that many of the complaints of the tribes were "accompanied by pleas that the United States establish factories at other points in the territory besides the one at Chicago."²² President Madison requested Governor Edwards, as well as Auguste Chouteau, to "avail yourself of the opportunity to inform the Indian tribes that it is intended to establish strong posts very high up the Mississippi, and to open trading houses at those points or other suitable places for their accommodation."²³ By placing posts at strategic points including the one at Chicago, the government hoped to reach more tribes than it had been able to

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Bessie Louise Pierce, A History of Chicago, 1673-1848, (New York, 1937), I, 18.

²³

American State Papers: Indian Affairs, II, 6.

do prior to the war. New factories were to be opened at Prairie du Chien and Fort Edwards. The government would also enlarge its ability to police the Indian country against foreign traders by adding additional military forts at Rock Island and Peoria.

The American government was well aware its Indian policy had to be a concerted effort toward friendship and understanding of the Indian's needs. The opening of more factories was one way of meeting those needs. Other methods contained in John Kinzie's plan of trade with the Indians which he reported to the territorial governor of Michigan included: (1) exclude whiskey from the Indian country; (2) employ Indian agents who understood the Indian languages and dispositions; (3) exclude all white men from the Indian country except those directly authorized by the United States government; and (4) protect American traders from British competition by the use of the armed forces located at strategic points.²⁴ America had to restore trust and faith as well as influence with the Indians. Commercial diplomacy marked American-Indian relations following the War of 1812.

Thomas Forsyth, a trader at Peoria before the war who was later appointed an Indian agent, also expressed his

²⁴

Haydon, "John Kinzie's Place in History," 193-99. John Kinzie's complete Indian policy which he recommended to the government in 1815 can be found in Appendix I.

70
view on trading with the Indians. He felt the British government had an excellent Indian Department, especially since no one could be an agent unless he knew the language, customs, and manners of the Indians.²⁵ Forsyth echoed many of the thoughts of Kinzie, notably those on liquor and the exclusion of foreign traders. But, as he stated in his letter to Governor Clark on September 22, 1815:

We see few or no American traders in any part of the Illinois Country; two reasons may be given for this: first, Indian goods. . .are always sold so high and at very short credit. . .second, it is impossible that any individual can purchase goods in this country and sell them as cheap as the factories.²⁶

If American traders were furnished with goods as equal in quality and price as the Canadians, and if foreign emissaries were stopped, then the Indian would not make war against the United States.²⁷ On the other hand, it was well known by all involved in the trade that the British traders who were sincere in developing the trade were greatly needed since so few Americans knew the Indian character. Both Kinzie and Forsyth saw not the exclusion of all foreigners, but merely those who would wrongly influence the Indian.

²⁵

Forsyth to Clark, September 22, 1815, in "Letter-Book of Thomas Forsyth, 1814-1818," in Collections of the State Historical Society of Wisconsin, XI (1888), 343.

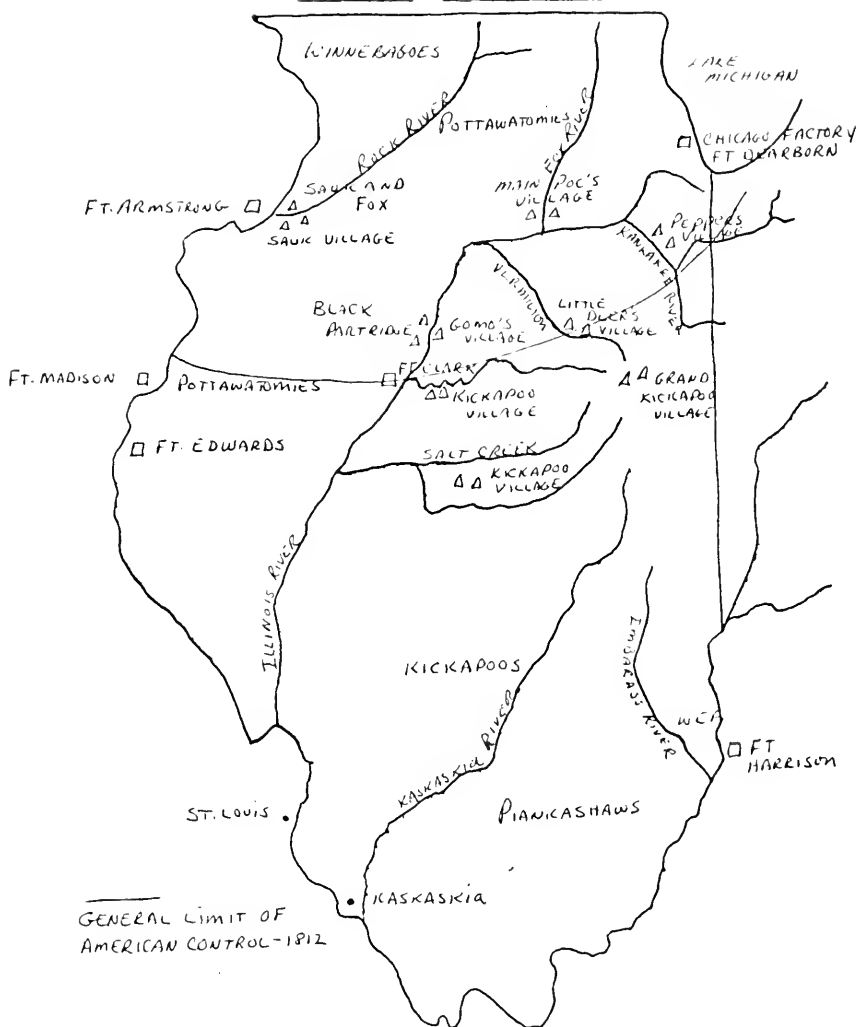
²⁶

Ibid., 344.

²⁷

Ibid., 345.

MAP II

ILLINOIS, 1812 - 1814^a^a

Frank E. Stevens, "Illinois in the War of 1812," Transactions of the Illinois State Historical Society, IX (1904), 22-3, and E. H. Morrison, Illinois, "Prairie State" - New Historical Atlas of Illinois (Athens, Ohio, 1959), III, 54.

CHAPTER V
ECONOMIC RIVALRY
1814 - 1818

The reopening of the government's trade factory in Chicago, which was closed during the war, certainly signaled the United States' venture into the fur trade. The Chicago location was advantageous for a variety of reasons. Along with a military post, it served to check the travel of traders coming from the British dominions to the Illinois country. The factory's location was also within the heart of the Indian country or at least within easy reach by water or overland travel from many villages. By 1815 several of the Illinois Indian tribes lived either on the Illinois River or its tributaries. The Potawatomies, under Main Poc, had a permanent village thirty-six miles up the Fox River, and scattered villages were located on the headwaters of the Kaskaskia and Kankakee rivers.¹ The Kickapoo, in addition to living in the Sangamon valley, lived on the Vermilion and Kankakee rivers. Little Deer, with perhaps 200 braves, was on the Vermilion

¹ Wayne C. Temple, Indian Villages of the Illinois Country (Springfield, 1958), 141-42.

and a group of Kickapoos were on the Kankakee with Bad Sturgeon, a Pottawatomi chief.² Many Pottawatomi also moved from the Michigan Territory to Chicago as well as to the Fox River, and large numbers of Ottawa and Chippewa were in the area.³ The Secretary of War, in September, 1815, estimated the Indian population of northern Illinois as: Sacs and Foxes about 4400; the Pottawatomies numbered about 4300; the Kickapoos at 1600; and the Winnebagoes approximately 2400.⁴

The factor in Chicago was Jacob Varnum and Charles Jouett was assigned as Indian agent. The factory opened with a considerable stock as John Mason indicated to the Secretary of War on July 11, 1815: "goods to the amount of \$20,000 are now prepared at this office and will be moved in a very few days. . .intended for two factories one to be established at the Military post on Green Bay of Michigan and one at which may be located at or near Chicago on Lake Michigan."⁵

² Temple, Indian Villages of the Illinois Country, 167.

³ John Kinzie to Lewis Cass, July 15, 1815 in Clarence E. Carter, ed., The Territorial Papers of the United States. Illinois Territory, XVII, 201.

⁴ Lizzie Brown, "The Pacification of the Indians of Illinois after the War of 1812," in Journal of the Illinois State Historical Society, VIII (October, 1915), 552.

⁵ Reuben Gold Thwaites, ed., "The Fur Trade in Wisconsin, 1815-1817," in Collections of the State Historical Society of Wisconsin, XIX (1910), 390.

Furs were to be returned through Mackinac and Erie to Pittsburgh. On August 20, 1815, Varnum received an invoice of goods being sent to Chicago totalling sixty-five packages amounting to \$9,452.⁶ Just exactly how successful the factory would be in competition with the private traders could not be ascertained since the quality of goods fell far below what the British could offer. Mason attested to this when he wrote Varnum in 1815, "these goods are neither well chosen or as advantageously bought as could be desired but the scarcity and present high prices of articles suitable for our purposes left us no choice in the desire. . ."⁷

From 1816 to 1818 the Chicago factory constantly faced competition from private traders and any success it had was only temporary. Since the factories operated on the idea that they could offer cheaper goods, they were plagued with individual traders, including the British, sending Indians to the factories to purchase goods for them. Governor Edwards mentioned this very fact to be true in a letter to the Secretary of War in 1815.⁸ The Governor also stated that the

⁶

Ibid., 391.

⁷

Ibid.

⁸

Walter Lowrie and Walter G. Franklin, eds., American State Papers - Documents Legislative and Executive of the Congress of the United States from the first session of the first Congress to the third session of the thirtieth Congress, inclusive: Indian Affairs (Washington, 1832-1861), II, 64.

inabilities to offer credit and trade with the Indians at their villages were far greater disadvantages to the factory system than the single advantage of offering cheaper goods.⁹ All of these restrictions did not help the commercial diplomacy the United States government hoped for with the Indians.

Despite these drawbacks, the Chicago factory opened and attempted to carry on a profitable trade. From the period 1816 to March 1818, receipts at the factory totalled \$2,253, but its expenses netted a loss of \$2,000.¹⁰ In the government's fiscal statement of merchandise and transportation costs of goods sent to the factories and of furs, peltries, and other property received, the figures for Chicago indicated:

TABLE II

STATEMENT SHOWING AMOUNT OF TRADE GOODS AND COST PLUS CASH AND FURS PURCHASED AT CHICAGO^b

<u>Year</u>	<u>Amt. of Goods</u>	<u>Cost</u>	<u>Cash</u>	<u>Amt. from sale of furs</u>
1816	\$2,505.93	\$514.13	\$464.95	In Operation
1817	5,474.90	922.81	495.01	\$4,593.25
1818	1,307.35	333.33	454.02	1,753.57
1819	none	none	2,350.21	521.35

^b

American State Papers: Indian Affairs, II, 203

⁹

Ibid.

¹⁰

John D. Haeger, "The American Fur Company and the Chicago of 1812-1835," in Journal of the Illinois State Historical Society, LXI (Summer, 1958), 124.

Certainly, there was not a profit to be found during any of these years. By 1818 the competition from both American and British traders was heavy enough to reduce the business to a level at Chicago sufficient enough to only pay the interpreter.¹¹ The business continued to decline until the factory closed in the 1820's.

Two other factories opened after the war to trade with the Illinois Indians. The location of a factory at Prairie du Chien seemed a sound investment by the government since many tribes inhabited northern Illinois. And, with so many Canadians in the vicinity, perhaps the factory could steal their trade. As early as 1811, Nicholas Boilvine, agent at Prairie du Chien, wrote the Secretary of War on this subject. He said "the United States, by the adoption of one simple measure, can secure this trade and put an end to the intercourse between the Canadian traders and the Indians. Prairie du Chien, from its central position, is well calculated for a garrison and factory."¹² It also had the advantage of being located near lead mines which the Indians worked. The United States could make more of a profit in trade for lead than peltries, especially since the British

¹¹

Bessie Louise Pierce, A History of Chicago (New York, 1937), I, 27.

¹²

Minian W. Edwards, History of Illinois from 1778 to 1833 and Life and Times of Minian Edwards (Springfield, 1870), 99.

had no use for the element. The factory was still in the position to trade in furs.¹³

The Prairie du Chien factory had a checkered career in its first years of operation, but by 1818 it appeared to be making a profit. The government's annual statement showed the following for the post:

TABLE III

STATEMENT SHOWING AMOUNT OF TRADE GOODS AND COST
PLUS CASH AND FURS PURCHASED AT PRAIRIE DU CHIEN.^c

<u>Year</u>	<u>Amt. of Goods</u>	<u>Cost</u>	<u>Cash</u>	<u>Amt. from sale of furs</u>
1815	\$11,126.93	\$1,307.16	Established this year	
1816	21,485.26	1,706.41	\$424.10	\$4,486.39
1817	16,169.86	2,681.67	3,199.32	10,364.95
1818	6,128.84	2,002.06	3,266.77	24,375.55

^c
American State Papers: Indian Affairs, II, 203.

Although fiscal year 1818 was a profitable one due to the amount of lead bought, the factory as a whole lost money over the five year period ending 1819. The loss was attributable in part to the mismanagement of the books or the charging of higher rates than actually reported to the government. In a letter to John W. Johnson at Prairie du Chien, Superintendent McKenney questioned the percentage difference:

It appears by the statement that the Merchandise bartered was at an average of 145 p^t advance on the

cost while that sold for cash was at an advance of about 10 p^c only but on examining your books the goods appear to be put at the usual advance say 50 p^c or upwards. It is for you, Sir, to explain this difference.¹⁴

McKenney was not questioning the devotion to duty of factor Johnson, but was inquiring into the keeping of incorrect books.¹⁵ But, in June the Superintendent again challenged the quarterly return for March 31, 1818, thusly:

Hence, whenever you state the cost of the Goods, you show an advance of 79 p^c [per cent] but on the \$1,587.60 sold for cash you made only \$82.27 $\frac{1}{2}$ - which is 74 p^c. less than the profit made on articles, . . . Why is it that you make so little on what you sell for cash compared with your barter sales?¹⁶

If the factory charged an exorbitant percentage, it was not rendering goods to the Indian at a cheaper price. The Prairie du Chien factory also outfitted traders to trade on public account with the Indians at the Fox Lead Mines. One such trader, Michael Bribois, was furnished with \$1,733.69 $\frac{1}{2}$ worth of goods from July to September 1818.¹⁷ The advance charged Bribois was 66 $\frac{2}{3}$ per cent, but he may have charged the Indians more, pocketing the

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Reuben Gold Thwaites, ed., "The Fur Trade in Wisconsin," in Collections of the State Historical Society of Wisconsin, XX (1911), 54. The complete return is in Appendix II.

15

Ibid., 59.

16

Ibid. The complete quarterly return is given in Appendix II.

17

American State Papers: Indian Affairs, II, 332-33.

extra, and thus leaving the factory's books invalid.

The other factory opened in the Illinois Territory was at Fort Edwards on the Mississippi River. Its purpose was to trade with the Indians between Prairie du Chien and St. Louis. At first, this factory was a branch of the Prairie du Chien agency and its factor was Robert Belt. The factory showed some success, for by 1819 it was made an independent agency. The government's annual report recorded that in 1818 the factory was sent \$6,293.24 worth of merchandise at a cost of \$828.22, and in 1819, \$4,633.82 at a cost of \$502.11. But, the report stated that the furs, peltries, and some lead traded were not sold.¹⁸ In 1819-1820 the factory traded with the Sacs and Foxes 2760 beaver skins, 922 otter, 13,440 raccoon, 12,900 muskrat, 500 mink, 200 wildcat, 680 bear, and 23,680 deer at an estimated value of \$58,000. Also, the factory reported 286,000 lbs. of deer tallow, 3,000 lbs. of feathers, 1,000 lbs. of beeswax, and about 1,000 bushels of corn annually was traded.¹⁹ If the estimates were correct, then the factory was more profitable

¹⁸

Ibid., 203

¹⁹

Emma H. Blair, ed. and trans., The Indian Tribes of the Upper Mississippi Valley and Region of the Great Lakes, as described by Nicholas Perrot, French Commandant in the Northwest; Jacquesville de la Potherie, French Royal Commissioner in Canada; Horrell Marston, American Army Officer; and Thomas Forsyth, United States agent at Fort Armstrong (Cleveland, 1911), II, 151.

in its trade than either the Chicago or Prairie du Chien agencies.

The ability of the Chicago, Prairie du Chien, and Fort Edwards factories to challenge and destroy the influence of the private trader, especially the Canadian, was never successful in the Illinois Territory. The Illinois Indians did not trust the intentions of the United States government. And, with so many restrictions placed upon the factories, the Indian's wants and needs were better met by private traders. The only way the American government could successfully oust British influence would be to encourage private American traders. Since there were so few experienced Americans, this too was difficult. The only hope of capturing the trade for the United States was to support a private American concern using experienced French-Canadians. The exclusion law of 1816 permitted only licensed traders, but if they were working for an American company, the economical and political benefits might be worthwhile. The government continued to put some faith in the trading houses, but each year they lost money.

The American concern which competed with the factories, eventually helping to destroy them, and damaged British influence was the American Fur Company. The 1816 exclusion law gave John Jacob Astor the opportunity to buy out the Southwest Fur Company for \$100,000, the first payment being \$23,233.07 to McTavish, McGillivrays, and Company, the large

Montreal firm.²⁰ As a result of this purchase, Astor employed the traders and engagés who had the necessary experience to trade with the Indians. This placed the trade in American hands, and, to be legal, the American clerks of the Company applied for and were issued the licenses by the territorial authorities.

Astor and his two associates, Ramsay Crooks and Robert Stuart, saw great opportunities in the trade of the Great Lakes region including Illinois Territory. In a letter to Crooks in February 1814 concerning the region, Astor said, "if we get peace. . .we shall make so much money as you want by the Indian trade."²¹ Even those well acquainted with the trade foresaw the need for a private concern to manage it. Ramsay Crooks had been encouraged by Charles Gratiot, a trader at St. Louis, in May 1814 when Gratiot wrote, "the Indian trade will have in future to be carried on by a Compy to become profitable. . . ." ²² Even Governor Edwards wrote the Secretary of War in November 1815, "whether a plan may not be devised that will be equally advantageous to the Indian tribes, and more economical to the public, whereby the Indian trade may, under safeguards, be hereafter carried

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Kenneth Wiggins Porter, John Jacob Astor, Business Man (Cambridge, 1931), II, 699.

²¹

Ibid., 687.

²²

Ibid.

on by individuals or private companies. . . ?²³ It was apparent that the American Fur Company was expected to have better success than the factories.

During the year 1816, The American Fur Company established fur trading posts in the Illinois Territory: one at the mouth of Bureau Creek, on the south side of the river; one three miles below Peoria, on the west side of the Illinois River; six to ten in the interior, between the Illinois and Wabash rivers; and three or four on the Rock River.²⁴ The trading post opposite the mouth of Bureau Creek was operated by a Mr. Beebeau who kept his accounts by a system of hieroglyphics, and the one below Lake Peoria was called Opa Post with Mr. Beason in charge.²⁵ Generally, the posts were located in the heart of the Indian country near the villages. The post on the Rock River was located within the Sacs and Foxes' hunting area near the grand detour and was operated by a trader named La Salle.²⁶ The American Fur Company operated two major outfits which supplied the

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²³ American State Papers: Indian Affairs, II, 63.

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²⁴ Elmer Baldwin, History of La Salle County, Illinois (Chicago, 1877), 74-5.

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²⁵ Caroline M. McIlvaine, ed., The Autobiography of Gordon Saltonstall Hubbard (Chicago, 1911), 47-8.

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²⁶ L. B. Neighbour, "Old Trading Post, First House of the White Man in Lee County," in Journal of the Illinois State Historical Society, XX (April, 1927), 102.

many posts located on the rivers. One outfit, which included the Chicago area, was under John Kinzie, and the other, known as the Illinois outfit, was headed by Antoine Deschamps. The Illinois brigade had a dozen boats which could carry three tons of merchandise.²⁷ Each of the outfits were prepared at the Mackinac headquarters of the American Fur Company.

Although the company succeeded in establishing its posts, Astor expected heavy opposition from the British traders. He requested President James Monroe to allow the Indian agents in the territories to grant licenses, and, when the President agreed, the company was able to engage specific French-Canadians to trade.²⁸ Since many of these traders were working for the American Fur Company, the factory operators complained about the men's characters. The superintendent of the Indian trade wrote to the Acting Secretary of War on March 19, 1817, in reference to Prairie du Chien and Chicago, that "how Major Puttoff, Indian agent at Mackinack could license traders for this territory, is surprising to all Americans here. The blackest of characters were permitted, and are now trading with the Indians in every direction."²⁹

²⁷

Milo M. Quaife, Chicago and the Old Northwest 1873-1875, A Study of the evolution of the Northwestern Frontier together with a History of Fort Dearborn (Chicago, 1913), 273.

²⁸

Porter, John Jacob Astor, II, 695.

²⁹

Carter, ed., Territorial Papers, XVII, 492-93.

The factor at Chicago was not pleased to see the American Fur Company employees, nor was Astor enthusiastic about the factories. Jacob Varnum complained about the British subjects in the Chicago area.³⁰ Already John Kinzie and Jean Baptiste Chandonnais were working in Chicago, and Jean Baptiste Beaubien joined them from Milwaukee in 1818. The firm of Conant and Mack from Detroit also had an agent, John Crafts, some French-Canadians, and a post known as "Hardscrabble."³¹ To the dismay of Varnum, Kinzie purchased seventy-three packs of furs from the redman, in addition to \$1,087 worth of peltries which he had already sold to Mr. Beaubien.³² In late 1816, Kinzie purchased \$16,000 worth of goods from Mackinac and \$4,000 worth from Detroit.³³

The use of liquor in the fur trade was strictly forbidden, but the American Fur Company found it necessary to use it in order to eliminate its competition. Governor Edwards ordered that the Indian agents should prohibit all persons from carrying liquor by threat of punishment. If one were caught violating this order a second time, he would

³⁰ Haeger, "The American Fur Company and the Chicago of 1812-1835," 124.

³¹ Pierce, A History of Chicago, I, 26.

³² James Ryan Haydon, "John Kinzie's Place in History," Transactions of the Illinois State Historical Society, XXXIX (1932), 189.

³³ Ibid.

be driven from the area. Despite the law, Kinzie was shipped a keg of Maderia wine, and Chandonnais ordered four barrels of whiskey.³⁴

During the year 1818, the American Fur Company extended its influence over all the Illinois Territory. Gurdon Hubbard, who became an employee of the company in northern Illinois, recorded that the trading posts on the Illinois River were located every sixty or seventy miles.³⁵ In the company's settlement book of 1817-1818, the amount of goods invoiced to employees on the Illinois River was: Amable Turpin, \$316.35; Alexis Lecompte, \$233.33; Louis Genereux, \$375.85; Joseph Deschenaux, \$329.00; Antoine Deschamps, \$329.00; and Joseph Deschamps, \$200.85.³⁶ The company's roster of employees for 1818-1819 showed that thirteen were working in the Prairie du Chien area, thirty on the Illinois River, seventeen on the Wabash River, and others on the Kankakee and Desplaines rivers.³⁷ Most of these were boatmen,

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Crooks to Kinzie and Crooks to Chandonnais, September 19, 1818, American Fur Company Letter Book, I (February 10, 1818 to September 22, 1818), 135. Photostat, University of Illinois Historical Survey.

35

Solon Buck, Illinois in 1818, 2d ed. rev. (Urbana, 1967), 38.

36

Settlement Book, 1817-1818, Robert Stuart Manuscripts, American Fur Company Papers, 1817 to May, 1826, foll., Chicago Historical Society.

37

Reuben Gold Thwaites, ed., "American Fur Company Employees - 1818-1819," in Collections of the State Historical Society of Wisconsin, XII (1903), 154-59.

all with French names; the Wabash outfit used three interpreters and three boatmen; and the Kankakee group consisted of one clerk and two boatmen.³⁸

The American Fur Company also expanded to the Mississippi River below Prairie du Chien. A license had been issued to Russell Farnham in 1817 to trade on the Mississippi River.³⁹ Farnham began his operations in competition with the United States trade factory at Fort Edwards, and by 1818 there were twenty-two men employed by the American Fur Company on the lower part of the river.⁴⁰ The department of the Mississippi under Farnham was successful, although at times the company traders ran into competition with independent traders from St. Louis. The area abounded with bands of Sac and Fox Indians. Living near Fort Armstrong at Rock Island were approximately 1,000 men of a Sac village, and nearby was a Fox settlement of 200 warriors.⁴¹ Whatever success Farnham had with the Indians, he did not have with the Army. Not only did he need a license from the proper authorities to trade on the Illinois side of the Mississippi River,

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Paul Chrisler Phillips, The Fur Trade (Norman, 1961), I, 367.

³⁹

William L. Talbot, Fort Edwards - Military Post and Fur Trade Center, reprint for a History of Hancock County (Carthage, Illinois, 1963), 15.

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Temple, Indian Villages of the Illinois Country, 111.

⁴¹

Ibid., 113.

but he also needed one from the governor of Missouri Territory at St. Louis. In a letter from Major Willoughby Morgan to General Smith in St. Louis on September 27, 1817, the Major stated,

Sir - I send to Bellfontain underguard two Mackinac Boats with their masters and crew. You will perceive by the enclosed papers that Lt. Colonel Chamber /Prairie du Chien/ has positively prohibited them from trading or even conversing with the Indians untill they shall have obtained license from Govr. Clark yet they openly declared that it was their intention to commence trading two or three miles below this place. ⁴²

The two boats evidently belonged to the American Fur Company, for on April 16, 1818, Ramsay Crooks, in a letter to Lewis Cass of Michigan Territory, complained about the use of the government's licensing and checking power.⁴³

The incident caused some concern with the territorial government of Illinois and injured Farnham's trade. In 1818 Governor Edwards emphasized the defectiveness of the licensing procedure to Thomas McKenney who transmitted the views to the chairman of a select committee on Indian affairs to establish additional trading houses. The Governor stated, "any person who tends a bond with sufficient security. . . is

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Thwaites, ed., "The Fur Trade in Wisconsin," XIX, 479.

⁴³

Crooks to Cass, April 16, 1818, Letter Book of Ramsay Crooks, American Fur Company Papers, 17, Chicago Historical Society.

entitled to demand a license as a matter of right."⁴⁴ The government, despite the factory system's faults, was considering the establishment of a trading house on the Illinois River, half-way between the mouth of the river and Lake Michigan.⁴⁵ The prospect of another trading factory in Illinois competing with the American Fur Company and the complaints of the territorial government about the many French-Canadians in the area led both Crooks and Ramsay Stuart to suggest the following to Astor: "let a Young American accompany each, to learn the language of the natives, and get a knowledge of the trade. The old Stock will soon disappear, and leave you with the undivided Control of all the Indians within the limits of the United States."⁴⁶ In 1813 the President gave orders that no foreigners were to be licensed to trade with the Indians, nor could foreigners accompany American traders. The Indian agents prompted this law because of their complaints about the indiscriminate licensing of French-Canadians and the uncivilizing effects they were having on the tribes. Although there was some relaxation of the law on the frontier, agents

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Reuben Gold Thwaites, ed., "The Fur Trade in Wisconsin," in Collections of the State Historical Society of Wisconsin, XX (1911), 14.

⁴⁵

Ibid., 40.

⁴⁶

Ibid., 29.

did refuse licenses, and this eventually effected the American Fur Company's ability to trade with the Indians.

The company trader continued to use the same types of goods that were used in the trade for many years. Russell Farnham had been sent goods such as rifles from London, beaver traps, blankets, kettles, wampum, gun powder, and cheap calicoes.⁴⁷ V. W. Matthews purchased at Montreal similiar articles for the American Fur Company: broaches, arm and wrist bands, ear wheels, ear bobs, and Oxhide shoes.⁴⁸ The furs the traders received from the Indian in return could command the following prices in 1818: beaver, \$4 per pound; bear, \$5; otter, \$5; raccoon, \$4; rats, 22-25 cents; buck deer, 90 cents; and does, 65 cents.⁴⁹ Crooks reported to Farnham that prices for his furs were: deer (proportions of bucks to does) at \$1 each; exchange for muskrats at 25 cents; raccoon, 50 cents; otter, \$4.50 per pound; beaver, \$3.50; and buffalo robes at \$3.25 each.⁵⁰ Prices changed with location and condition. In a letter from Ramsay Crooks to William H. Wallace at Fort Harrison near

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Crooks to Farnham, March 17, 1819, Ramsay Crooks Letter Book, American Fur Company Papers, 173, Chicago Historical Society.

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Account Books, American Fur Company Papers, December, 1818, 27-3, Chicago Historical Society.

⁴⁹

Crooks to Astor, May 25, 1818, Ibid., 17

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Crooks to Farnham, March 17, 1819, Ramsay Crooks Letter Book, 173.

Terre Haute in 1819, the price of raccoon pelts was 43 cents each, otter was \$3.50 per pound, beaver skins varied at \$3.00, and muskrats were considered too high at 25 cents.⁵¹

As Illinois approached statehood in 1818, the Indian trade was still a competitive business between the government factories and the American Fur Company. The factories were on the losing end of this competition. In 1818 Jacob Varnum's trade at Chicago amounted to only \$25.⁵² The failure and eventual death of the factory system can be attributed to a number of conditions. Being a government institution, the factory operated under many rules and regulations that prevented it from meeting the needs of the Indian. Among the many restrictions was the inability of the system to follow the Indian to his villages with quality goods. Governor Cass wrote the Secretary of War in September 1818 concerning goods sold at the public trading houses: "I have no means of ascertaining the quantity of goods which they [factories] annually sell, but I am certain it constitutes a very small portion of the amount, which enters and is sold in this extensive country."⁵³ A major reason for the failure

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Crooks to Wallace, Ibid., 171.

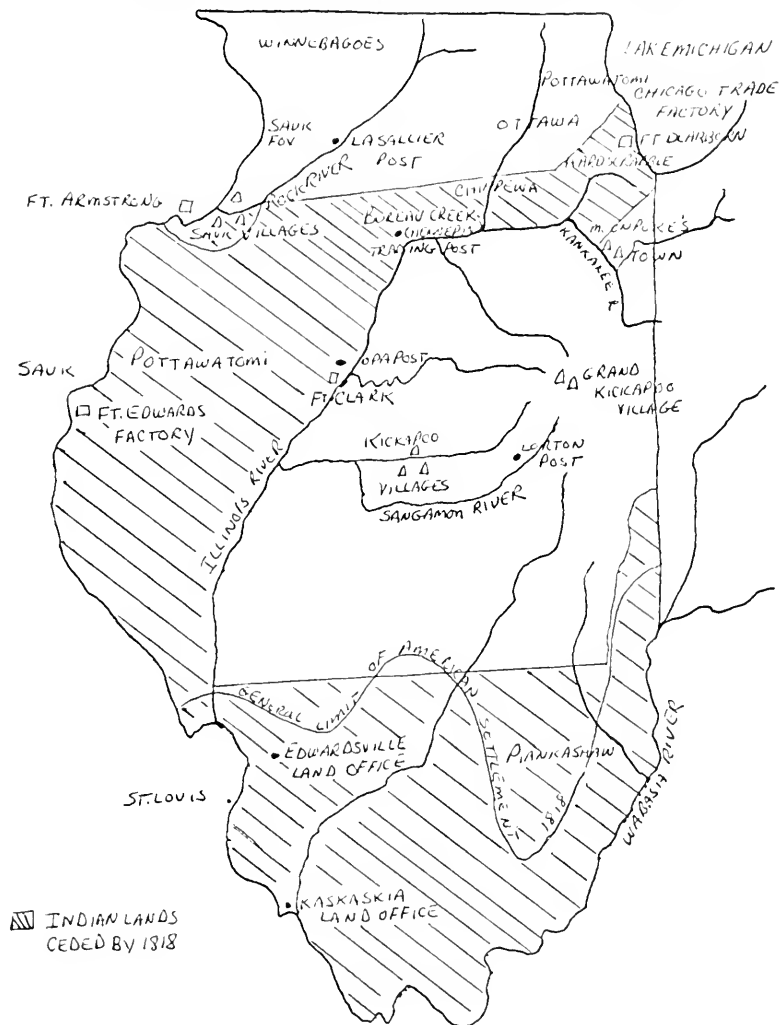
⁵²

Haeger, "The American Fur Company and the Chicago of 1812-1835," 125.

⁵³

Thwaites, ed., "The Fur Trade in Wisconsin," XX, 33.

MAP III

INDIAN LAND CESSIONS COMPLETED BY 1818

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E. M. Morrison, Illinois, "Prairie State" - New Historical Atlas of Illinois (Athens, Ohio, 1959), III, 63, 65, and 68.

of the factories was the misunderstanding by the Indian of the system's purpose. Major Marston, commander at Fort Armstrong, realized this when the Indians told him, "You are a nash-i-nash-i-ti, (a fool) our Great Father is certainly no trader, he has sent those goods to be given to us, as presents; but his Agents are endeavouring to cheat us, by selling them for our peltries."⁵⁴

The government was also hampered by its inability to invest enough money in the factory system. A private concern had the capital to operate, especially since it could follow the Indian with more personnel. Governor Cass emphasized this point to the Secretary of War on September 14, 1813: "the capital employed by Government in this quarter is so small compared with the general amount of the trade, as to produce little effect."⁵⁵ And, with reference to the competition, the Governor concluded, "the public trading establishments injure the private traders by bringing into competition with them in the Indian market a capital for the use and management of which no advance is required, and that they render the Government obnoxious and contemptible to the Indians."⁵⁶ Out of the whole enterprise, less

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Blair, ed., Indian Tribes, II, 177.

⁵⁵

Thwaites, ed., "Fur Trade in Wisconsin," XX, 93.

⁵⁶

Ibid., 85.

than a third of the government's investment of \$300,000 was recovered, and what merchandise remained was considered so second-rate as not to be worthy of gifts to the Indians.⁵⁷

In his own words, Governor Minian Edwards expressed the difficulties faced by the factories:

On this supposition, Mr. Johnson (our factor) arrives at Prairie du Chien next autumn with his \$10,000 worth of goods; Mr. Dickson, having obtained an equal quantity at St. Joseph's, reaches the Indian villages about the same time. Both of these gentlemen are bound to refund to their respective Governments the cost of the goods, including the expense of transportation. The Indians to whom they must vend them are, the Menomones, Winnebagoes, Sac, Foxes, Chippewas, and Sioux, (the very Indians intended to be supplied by our factor). The former remains stationary at Prairie du Chien, selling only to those Indians who go there prepared to make prompt payment; the latter pursues the usual course of the trade, and sends his engagés to winter with the Indians on their hunting grounds. Can any man in this world, at all acquainted with the geography of the country, the situation and the habits of the Indians, and the history of the fur trade, hesitate to believe that, under such circumstances, the latter gentleman would be able to sell the most goods, to obtain the best price, and to make the earliest payment to his Government?⁵⁸

The extinction of the factories came in 1822. Those who lobbied against the factory system were none other than agents of the American Fur Company who found a

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Robert Vay, "The United States Factory System for Trading with the Indians, 1796-1822," in Mississippi Valley Historical Review, VI (September, 1919), 233-34.

58

Edwards to Secretary of War William H. Crawford, November, 1815, American State Papers: Indian Affairs, II 65.

speaker in Missouri Senator Thomas Hart Benton. The American Fur Company continued to dominate the trade in Illinois until the Indians finally ceded their lands and moved across the Mississippi River in the face of advancing settlements.

CHAPTER VI

CONCERNING MEANS AND ENDS

The history of the fur trade in Illinois has been shown as a highly competitive business between three domineering nations: France, Great Britain, and the United States. For a century and a quarter, these countries competed with each other for political domination over the Illinois country. The streams and wilderness areas served as the battleground in which France, then Great Britain, and finally, the United States struggled to win the friendship of the various tribes and gain control of their trade. Although wars were fought between the nations for the geographical control of the Old Northwest, much of the economic rivalry was carried on by the fur trader and his canoe. It was these frontiersmen who carried their boats over portages, built their posts along the rivers, and made the initial contacts with the Indians. Though the Indian trader saw himself as a free agent trying to make a profit and covet the friendship of the Indians, the bureaucrats in the capital cities saw him as a diplomat spearheading their dominance of the Indian and his lands.

The importance of any staple, whether it be cotton,

steel, manufactured goods, or industrial products, can be traced as the basis of an economically dominated area. The economic history of Illinois prior to statehood was almost totally controlled by the Indian trade. The abundance of fur-bearing animals in the streams and rivers of Illinois coupled with the hunting and trapping economics of the Indian culture was the foundation for the fur trade. Thus, Illinois became important to those nations which sought to use this trade as the basis of their new world empires.

The French were the first to explore Illinois, to establish settlements, and to exploit the fur trade for profit. Little did Father Marquette realize that the Church would take a secondary role to the coureurs de bois in influencing the Indians. The French government was not concerned with the Indian's soul as much as it was with his trade. For if France were to realize its dream of establishing a colony, it needed an economic foundation. French colonial policy was aimed at controlling and further developing the Indian trade. Only through this enterprise could France attain any measure of world importance as a colonial power in North America. Great Britain was already developing her colonial strength on the Atlantic seaboard, and Spain controlled the southern portion of North America.

The development of good relations with the Indians, the use and growth of waterways as highways, the beginnings of

settlements, and the establishment of posts are all accredited to the French. The eventual settlement of Illinois might have been retarded had not the French laid the foundation for the state's development and growth through the fur trade. Even when France lost political control of Illinois, Frenchmen still dominated the trade.

In replacing France as the political heir to the Illinois country, Great Britain introduced new methods in conducting the Indian trade. France relied upon the independent trader to carry on not only the trade, but also diplomatic relations with the tribes. The British took a more institutional approach to the enterprise. By the latter half of the eighteenth century, the market in Europe demanded more and more furs. The Industrial Revolution left England with an efficient organizational attitude toward manufacturing and trade. The government in London sought to institutionalize the Indian trade through companies regulated by the Board of Trade.

To promote friendlier relations with the Indians, maintain peaceful conditions on the frontier, and meet the demands of the fur market in Europe, Britain encouraged large organizations to carry on the trade. These associations could effectively meet the needs of the Indian for trade goods while at the same time assure the British of political control over Indian lands. In the last quarter of the eighteenth century, the fur trade grew to such proportions that it

could be only handled by companies with the personnel, capital, and access to cheaper manufactured trade articles. But even with these advantages, the British traders had to compete with the independent Frenchmen.

In spite of the competition, the English made their contribution to the Indian trade in the Old Northwest by placing the trade on a more permanent foundation. Illinois became the mainstay of two important British concerns, the Northwest and Mackinaw Companies. Both of these organizations were vital to England's trade relations with the Indians and the maintenance of her strong position in the Old Northwest. Thus, even after the American Revolution, the economic history of Illinois was dominated by Britain's desire to retain control of the trade.

When Americans won their independence, the United States gained political jurisdiction over the Indian trade south of the Great Lakes. But the lack of experience of American traders prevented them from driving the British out of the newly acquired territory. The English contended that immediate removal of their posts would bring financial disaster to the Canadian merchants. Not until 1796 did the British finally remove their posts north of the international boundary. During the twelve year period from the end of the revolution to the signing of Jay's Treaty, the English traders continued to carry on their commerce with the Indians.

The first American attempt to secure the fur trade was made by the United States government itself as a competitor with the private companies and individual traders. The plan was largely one of benevolence toward the Indian and was established under the Congressional Act of 1796 which provided for the building of trade factories in the Indian country. The factories were designed to assure the Indians of a fair trade and to hinder the harmful practices of the foreign traders. The government's trade system operated for twenty years, but remained ineffective in competing with and lessening British influence. The paternalistic attitude of the American government aided in the downfall of the factory enterprise. But as a government institution, the trading houses were strapped with too many rules and regulations that did not affect the foreign trader. Despite its many faults, the government venture was somewhat self-sustaining and it did drive many of its competitors to becoming ardent opponents of the institution.

The most outspoken antagonist of the factory system was John Jacob Astor. His enterprise, the American Fur Company, was the only commercial hope of the United States in actively competing with the British traders in Illinois. During the War of 1812 much of the trade in Illinois was curtailed and Astor had the opportunity to make the American Fur Company supreme in the trade of the Great Lakes region. He

succeeded in buying out the Southwest Fur Company, the British concern which conducted most of the trade and competed with the factories. Astor was also instrumental in influencing Congress to exclude all foreign trading companies from working on United States territory. Certainly, the United States' success in curtailing British influence and gaining control of the trade would not have been possible had it not been for the capital, personnel, and efficient business methods of the American Fur Company. Finally, the Indian trade in Illinois was in American hands although Astor's enterprise was given a virtual monopoly.

The history of the Indian trade in Illinois is also the history of contact between the European and American civilizations. The trade goods the Indian received helped to change his way of life. His limited culture provided the trader with an endless demand for the more advanced European products. As the Indians became more and more dependent upon the trader, they also fell victims to the evil influence of the European. Little did the Indian realize that he was being used by the governmental leaders of France, Great Britain, and the United States as they each sought control of Illinois. This aspect of the trade is what makes its conduct so perplexing. The independent trader was content to carry on his business with the Indian devoid of any political strings from his country. But, as colonial growth, capitalism, and

international politics intertwined themselves with the trade, the whole enterprise took on a vicious nature. The struggle over domination of the Great Lakes trade resulted in wars, chaos among the Indians, and a seething influence to use the Indian for political gains.

The century and a half over which the Indian trade was conducted in Illinois left its impression on the state's history. Fur traders made the initial exploration of the Illinois rivers and contacts with the Indians. Illinois was at the center of the cutthroat competition between three nations. The French coureurs de bois and voyaguers sought to make the territory part of the economic foundation of their New World empires. Great Britain maintained its dominance over the area and the trade through large fur trading organizations until the War of 1812. The United States attempted to covet the Indian's friendship through its government factory system. Finding this method ineffective, the United States supported and aided, with congressional legislation, the efforts of the American Fur Company in driving British competition out of the Great Lakes region.

The fur trade fostered the development and growth of settlements in Illinois. The French communities of Kaskaskia, Cahokia, and Peoria owe their economic existence to posts built by the traders and fur trading companies. Traders from the Southwest, Michilimackinac, and American Fur Companies established stations on the interior rivers of Illinois.

These traders joined others in opening contacts with the Indians that later proved essential in acquiring Indian lands. Chicago was founded as a direct result of the Indian trade. Jean Baptiste du Sable, a black French trader, located his post there in 1779. Later, the United States government built one of its trade factories at Chicago, and the American Fur Company used the area as its entrepot for the Illinois country. Private traders also spearheaded the advance of settlements by opening up the wilderness. Traders like the Lartoniere brothers, who had a post on the Sangamon River, brought the white man's culture to the Indian thus changing the tribal way of life, and making the Indian dependent upon the white man.

The changes brought about in the Indian's culture resulted in his eventual removal from Illinois. Consequently, the Indian trade's contribution in Illinois is a negative one. The fur trader was the avant garde of civilization's advance into the frontier. But the trader brought behind him the greedy, competitive, and selfish attitude of settlers whose only desire was to drive the Indian from his lands. The Indian was duped into signing treaties by political leaders who used the fur trade in winning the Indian's dependence and confidence, not his friendship.

APPENDIX I

John Kinzie, who had been a trader at Chicago before the War of 1812, was sent on a mission by the territorial government of Michigan to ascertain why the Indians of the Chicago region were so adverse to the United States and American traders. This is his recommendations to Lewis Cass of Michigan Territory on the commerce with the Indian in April 1815.

1. To give notice to all the tribes of Indians as early as possible that peace is established between the Government of Great Britain and the United States, and
2. To call the different tribes to a general council to settle a peace between the hostile tribes residing on the American boundary and the United States as soon as possible, and
3. At the different posts that may be established (appoint) agents who are acquainted with the disposition and the language of the Nations,
4. To establish factories at each post,
5. To admit the natives to give in the memorandums for such articles as may best suit the climate, (and) of the annuities that are allowed each nation,
6. To adopt the system of having the villages of each nation as few as possible, and
7. To allow the traders to reside only in the villages, not to carry goods into the hunting camps,
8. And also to prevent spirituous liquors entering into the boundaries,
9. Agents not to receive from the natives any presents but what may be considered to be deposited in some place appointed by the Superintendent for the use of the Government, and the Indians to receive for the same payments only out of such goods as are appointed here as presents, or sent to the factory and paid there as value,
10. The annuities to be delivered to the nation

in the presence of the factors, or Commandant of the Garrison where the agent resides, and their certification to accompany the Indian receipts,

11. Agents to visit their districts twice a year,

12. To consider the chiefs as their associates and at times to invite (them) to his table so as to inspire the Young men of their villages that respect is shown to their leaders,

13. Agents not to carry on any mercantile transaction with Indians or others,

14. Agents to be empowered to give medals to such Indians as they may conceive are worthy to be made chiefs,

15. To grant licenses to such traders as are of good character only and that the trader give good security according to law,

16. Government to lay out roads through the Indian territory from Post to Post, particularly from Detroit to St. Joseph due west, there being but sixty miles of land carriage between the waters of Lake Erie and Michigan,

17. To settle friendly Indians, Shawneese, and Delawarees, in the lands occupied by the Kickapoos lying between the Illinois River and the Wabash,

18. To occupy Chicago, Green Bay, & the prairie du Chien as Military posts,

19. To hold all councils by giving wampum in lieu of writing instruments,

20. To prevent citizens to settle in the Indian boundary, also to prevent citizens to destroy their game,

21. The Government to be as liberal as possible in allowing them provisions. Gunsmiths would be useful, on to each garrison.¹

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James Ryan Haydon, "John Kinzie's Place in History," Transactions of the Illinois State Historical Society, XXXIX (1932), 194-95.

APPENDIX II

The quarterly report figures from Prairie du Chien factory on May 6, 1818 that the Superintendent of the Indian Trade questioned.

REPORT FROM PRAIRIE DU CHIEN FACTORY, MAY 6, 1818^d

Bartered for Furs etc cost	\$973.55	per	\$2144.03	gain	\$1330.53
Articles had by yourself					
and asst.....	225.02	"	259.26	"	34.24
Indian Dept estimated cost	13.37	"	35.74	"	13.37
Contingent a/c estimated					
cost.....	211.22	"	316.84	"	105.62
had by Interpreter esti-					
mated cost.....	42.09	"	71.39	"	29.30
Sold for cash estimated					
cost.....	1098.90	"	1974.39	"	180.84

^d

Reuben Gold Thwaites, ed., "The Fur Trade in Wisconsin," in Collections of the State Historical Society of Wisconsin, XX (1911), 54.

APPENDIX II (con't)

The quarterly report figures from Prairie du Chien factory on June 24, 1818 that the Superintendent of the Indian trade questioned.

REPORT FROM PRAIRIE DU CHIEN FACTORY, JUNE 24, 1818^e

What sold or barter'd for	sold for	Cost of Goods	Profit
Furs and Peltries.....	\$913.74	\$463.03½	\$450.10 ¾
Indian Matts.....	6.	2.30	3.70
Wax, Tallow etc.....	25.55	13.19	12.36
Corn.....	13.75	9.31	3.94
Feathers.....	9.37½	2.45	6.92½
Indian Curiosities....	4.00	1.05½	2.94½
Had by Yourself.....	110.97½	96.49 ¾	14.47½
" " R. B. Belt.....	47.02	40.89	6.13
" " Interpreter....	23.91 ¾	14.34 ¾	9.57
Paid on contingent a/c in Merchandise.....	201.03	120.20½	80.37½
	<hr/>	<hr/>	<hr/>
	1360.40½	764.37 ¾	596.02½
For Cash.....	1687.60	Cost not stated	32.27½
	<hr/>	<hr/>	<hr/>
	\$3048.00½	\$764.37 ¾	\$673.29½

^e
Ibid., 59.

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